

# The NATIONAL UNDERWRITER

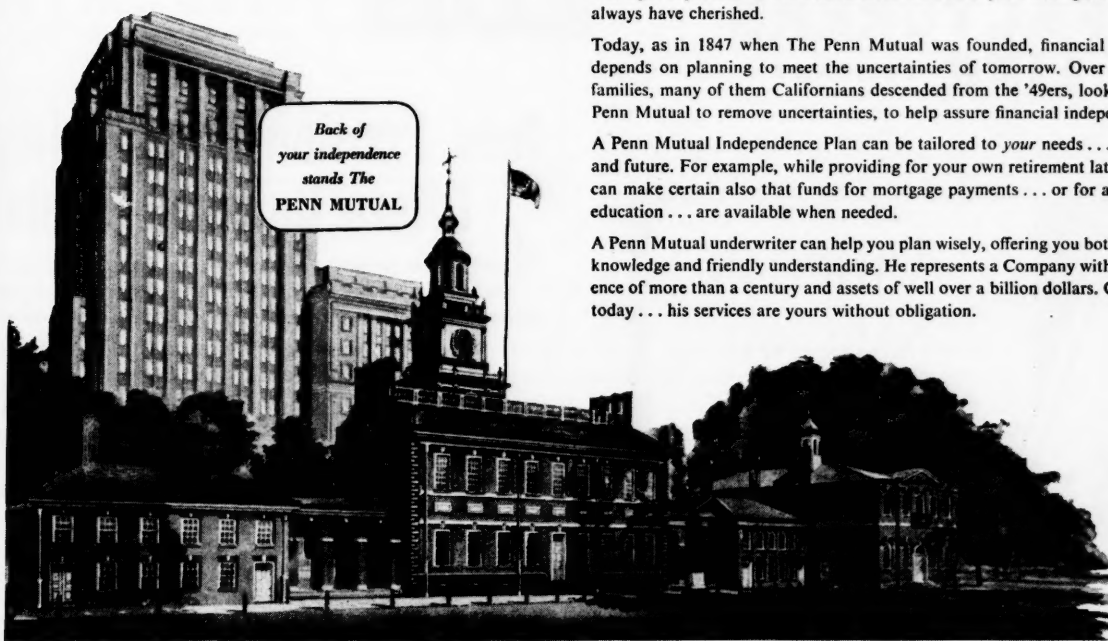
*Life Insurance Edition*



## Circle of Security on the Trail to Independence

Those who sought financial independence in 1849's great Gold Rush found the trail a nightmare of uncertainty, accidents, sickness and Indian raids. The wagon train, made up of families banded together for mutual protection, formed about the only kind of security available to the pioneer in those days.

## Your Road to Security... a Penn Mutual Independence Plan



The right to provide for our own future in our own way is a heritage Americans always have cherished.

Today, as in 1847 when The Penn Mutual was founded, financial security depends on planning to meet the uncertainties of tomorrow. Over 600,000 families, many of them Californians descended from the '49ers, look to The Penn Mutual to remove uncertainties, to help assure financial independence.

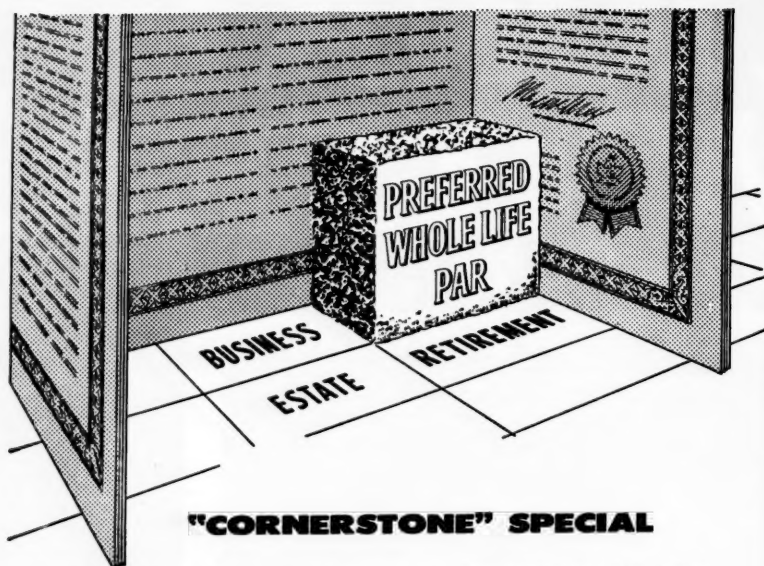
A Penn Mutual Independence Plan can be tailored to *your* needs . . . present and future. For example, while providing for your own retirement later on, it can make certain also that funds for mortgage payments . . . or for a college education . . . are available when needed.

A Penn Mutual underwriter can help you plan wisely, offering you both expert knowledge and friendly understanding. He represents a Company with experience of more than a century and assets of well over a billion dollars. Call him today . . . his services are yours without obligation.

**THE PENN MUTUAL LIFE INSURANCE COMPANY • INDEPENDENCE SQUARE, PHILADELPHIA**

**Penn Mutual Advancement Opportunities Go to Penn Mutual Men**

**FRIDAY, MARCH 25, 1955**



### "CORNERSTONE" SPECIAL

A program built around our new PREFERRED WHOLE LIFE contract will mean more money for you, and more savings for your client.

#### FEATURES

- ★ Ages 0-80
- ★ Low Net Outlay --
- ★ Substandard, Too
- ★ \$7,500 Minimum
- ★ Regular Commission

#### 20 YEAR SUMMARY \$7,500 POLICY

Assuming Dividends Taken in Cash

Age at Issue	Annual Premium	1st Year Dividend†	Average Annual Net Payment Over 20 Years†
25	\$126.83	\$15.98	\$101.18
35	173.25	24.23	136.35
45	246.98	32.33	198.45

†This is not a guarantee, estimate or promise of dividends or results. It is an illustration based on dividends approved for distribution in 1955.

FOR MORE INFORMATION CONTACT ONE OF OUR BRANCHES IN THE FOLLOWING CITIES  
BALTIMORE • CHICAGO • CINCINNATI • CLEVELAND • DETROIT • HARTFORD  
HONOLULU • LANSING • LOS ANGELES • NEWARK • PHILADELPHIA • PITTSBURGH  
PORTLAND • SAGINAW • SAN FRANCISCO • SEATTLE • SPOKANE

Also licensed in Dist. of Columbia, Arizona, Delaware, Idaho, Minnesota and Virginia

## THE MANUFACTURERS INSURANCE LIFE COMPANY

Life  
A & H  
Group  
Franchise  
Hospitalization  
Brokerage  
Reinsurance

life insurance in force exceeds

# \$720,000,000.00

PLUS: One of the most advanced agents training programs in the nation . . . Supervised offices . . . Trained Group men to assist agents . . . An alert Underwriting and home office staff . . . Top commissions.

## REPUBLIC NATIONAL LIFE

INSURANCE COMPANY

Theo. P. Beasley, President

Home Office, Dallas

# NEWS NOTE

from **FIDELITY**  
A WELL-BALANCED COMPANY

## New Pension Trust Policy Offers Unusual Flexibility

In this new policy you may have insurance protection and retirement income in any desired proportion. Each benefit stands separately although in the same policy.

A "stop-and-go" feature makes this policy of particular interest to the buyer.

The plan is provided at a very low cost. Cash value is 90% of reserve the first year; 95% the second; and 100% the third. Annual dividends.

"Redistribution" commission scale.



The  
**FIDELITY MUTUAL  
LIFE INSURANCE COMPANY**  
THE PARKWAY AT FAIRMOUNT AVENUE  
PHILADELPHIA • PENNSYLVANIA

Now  
Over  
**3**  
BILLIONS  
of Life  
Insurance  
in Force

AMERICAN  
NATIONAL  
INSURANCE  
Co.

GALVESTON, TEXAS

1905-1955  
"Fifty Years of  
Progress"

"YOU CAN GROW WITH ANICO"



# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

59th Year, No. 12

March 25, 1955

## Adams Draws Vivid Picture of Federal Regulation's Evils

**\$100 Billion in Assets Would Be Tempting Target for Planned-Economy Promoters**

COLUMBUS, O.—Insurance men should view with plenty of alarm the current efforts to bring the federal government into the insurance regulation picture, according to Claris Adams, executive vice-president and general counsel of American Life Convention.



Claris Adams

Addressing the General Agents and Managers Conference of National Assn. of Life Underwriters at the mid-year meeting here, Mr. Adams explained that those who are most aware of state supervision's failings realize that federal supervision will have all of them, plus some very bad additional drawbacks that are not characteristic of state regulation.

His talk was an eye-opener for any who might be inclined to feel federal regulation is inevitable and might not be so bad, anyway.

"There is no infirmity inherent in state supervision which would not be implicit in federal regulation," he declared. "There is no greater fallacy than the assumption that the transfer of power to Washington produces perfection. Washington is not necessarily the seat of superior wisdom or the home of higher efficiency, but it is incomparably the abode of partisan politics."

"Whatever the faults of state supervision they have not been political. That fact is one of its great virtues. Few things of similar nature are more important to more people than that life insurance, the great repository of the hard-earned savings of the average citizen, should not become the football of partisan politics."

Mr. Adams expressed concern lest federal supervision bring pressure to use the nearly \$100 billion in life company funds for federal "planned economy" projects.

"Centralized control over the management responsible for the investment of this vast sum would, in my opinion, constitute too great a temptation to the architects of a managed economy under the kind of administration dedicated to a controlled social and economic structure," he said. "Under unfettered private management resources flow naturally along lines of investment opportunity into the strongest and most profitable securities available in the interests of policyholders."

"Under regulation by a single all-

## FTC Issues Five More Complaints on A&H Insurers

WASHINGTON — Federal trade commission has issued complaints against five more A & H insurers for alleged use of false and misleading advertising. The companies are Fireman's Fund Indemnity, National Casualty, Federal Life & Casualty, Educators Mutual of Lancaster, Pa., and Beneficial Standard Life of Los Angeles.

This brings to 28 the number of insurers against which FTC has issued complaints. The newly issued complaints are considerably more voluminous than were the earlier ones. The number of policies referred to ranges up to 21, and eight to 10 allegations are listed in some of them.

The Joint Committee on Health Insurance promptly issued a statement pointing out that "as in the case of the commission's earlier complaints, those made public today are not a definite finding or ruling that the advertising in question actually violates the provisions of the FTC act." The five new complaints, the joint committee points out, arise out of a continuing investigation which prompted the commission to issue previous complaints against advertising of other companies. The investigation was begun with the cooperation of the insurance business a year ago.

The A & H business through the joint committee previously has stated its desire to have its advertising conform with its highest standards. It also has expressed its desire to cooperate with FTC and state insurance commissioners toward this end. It is believed that all A & H insurers are adhering to advertising standards and practices in conformity with the advertising codes prepared by the business several months ago.

The complaints just issued by FTC are based on advertising used by the companies before the advertising codes were developed by the A & H business, the committee stated.

The charges against the five companies newly named by FTC include

## Feb. Life Sales Up 19% Over Year Ago

February sales of life insurance, amounting to \$3,314,000,000, up 19%, brought the aggregate for the first two months of the year to \$6,370,000,000, 19% more than a year ago. The February figure, reported by LIAMA, compared with \$5,367,000,000 in February of last year.

Sales of ordinary life in February were \$2,179,000,000, 17% more than a year ago. This was the largest February total on record for ordinary insurance. Industrial life sold amounted to \$529 million increase 3%. New group life amounted to \$606 million increase 49%. These represent new groups set up and do not include additions under group contracts already in force.

In the first two months of the year, total life insurance sales were \$1,003,000,000 more than the first two months of 1954. Ordinary life sold accounted for \$4,366,000,000, an increase of 21%. Industrial life sales represented \$1,032,000,000 of the year's total, increase of 10%, while new group life amounted to \$927 million, up 17% from the first two months of 1954.

misrepresentation in advertising that their policies were renewable indefinitely, misrepresentation of the extent of coverage, overstating the amount of surgical fees payable, misrepresentation of the health status required of applicants at the time the policy was issued, etc.

Other FTC developments include the denial by FTC Commissioner Gwynne of the appeal of Mutual Benefit H.&A., represented by James T. Walsh, from the ruling of Examiner Lipscomb that he would not strike from the record a statement made by Robert R. Sills, FTC attorney, that the company's business was not adequately regulated in every state.

FTC Examiner Cox suspended last Friday until March 31 the hearing on Automobile Owners Safety Ins. Co. of Kansas City. In that period, Sills will read the transcript of the hearing and decide whether to stand on it or take

(CONTINUED ON PAGE 16)

## NALU Trustees OK \$350,000 Outlay for New Building

**\$310,000 to Be Raised by Mortgage or Contributions; Cleeton Confident of Goal**

BY ROBERT B. MITCHELL

COLUMBUS, O.—The National Assn. of Life Underwriters board of trustees, at the midyear meeting here this week, approved the design and general plans for its new headquarters building. It is designed to carry out many of the dramatic architectural qualities found in the Lincoln memorial, which is nearby.

The building will cover about 5,000 square feet of ground space, with a 100-foot front and a 50-foot depth. It will be two stories high, with a basement that will be used for working space and can extend out under the lawn area to provide more space than the building itself covers.

The trustees have authorized an expenditure of up to \$350,000, plus architects' fees, which on that outlay would be of the order of \$20,000. Charles E. Cleeton, Occidental of California, Los Angeles, past president of NALU and chairman of the building committee, said the amount remaining in the building fund, some \$185,000, would leave about \$310,000 to be raised through a mortgage and/or contributions from NALU members and friends. This allows for moving expenses and cost of needed furniture and equipment, which Mr. Cleeton believes will total no more than \$75,000. It would also cover fund-raising expenses.

NALU's share of the rent in the quarters it occupies with IUTC is about \$17,500 a year and Mr. Cleeton said he is positive the cost of operating the new building will certainly be no more than that.

The building, which will be faced with white marble to conform with the surrounding buildings, will be ready to move into in July, 1956, according to Mr. Cleeton. The present lease expires April 30, 1956. It is hoped the association can continue in the present quarters until the new building is ready.

The firm of Pereira & Luckman, architects of New York and Los Angeles, has designed the building (to be called the Life Underwriters Memorial), so that a full 25% expansion of facilities can be made without harm to the architectural symmetry of the structure.

Mr. Cleeton said, however, that he did not expect that it would be neces-

(CONTINUED ON PAGE 15)

## Late News Bulletins . . .

### Smith Counsel of N. Y. Department

Superintendent Holz of New York has appointed Henry N. Smith counsel to the department to serve in the New York City office. Mr. Smith is a career employee. He joined the department in 1931, and has served as a law investigator, examiner, senior attorney and associate attorney. Recently he has been chief of the legal bureau.

### Penn Mutual Names Two Agency Heads

Effective April 1, Gardner H. Green, will head Penn Mutual's Jacksonville agency, of which Thomas E. Gray, general agent at Tampa, has been temporarily in charge. William P. J. Drakeley Jr. will take over the agency at Wilmington, Del., succeeding William B. Snyder. Mr. Snyder will devote his entire time to further expanding the Washington Square agency in Philadelphia, which he also heads.

Mr. Green, a CLU, joined the company in 1936, served at one of its New York City agencies and at the home office and since January of 1954 has been assistant to the director of new organization. Mr. Drakeley joined Penn Mutual in 1951.

## Merchandising, Markets, Mail and News Enliven LAA Eastern Round Table Talks

Life Insurance Advertisers Assn. built the theme of an informative program of panel discussions and talks around the current "how-to-do-it" fad at its Eastern Round Table in New York City.

Charles E. Ferree, New York Life, said his company urges use of direct mail by agents and provides a guide in loose-leaf book form to support the constantly up-to-date program. He served as moderator of a panel on how to induce more agents to use direct mail.

Douglas J. Alspaugh, Aetna Life, said his company stresses the importance of direct mail to new agents the first day they attend training school. Prestige mailings are sent out for the new agent to announce his completion of the first school, his advanced training and correspondence course and when he wins production honors.

Penn Mutual, said Thomas I. McCord, has a compulsory direct mail plan for new men. It was selected after much study and after two agencies, which required its use, continued to turn in good production. Compulsory direct mail increased average volume of first-year men by \$30,000 and of second-year men by over \$100,000. Also a higher percentage of new men are staying with the company.

D. Bobb Slattery, vice-president and agency superintendent of Penn Mutual Life, at the luncheon Thursday said the company's Million Dollar Round Table members are pictured each year in national magazine advertisements, backed by tie-in advertisements in their respective local newspapers. Leaflets and cards are sent to these agents' mailing lists.

Personal publicity is directed at agents' local newspapers when there is news and particularly announcements of new agent appointments. Each general agent nominates an agent, who has done the best all-around job, as "man of the year", and 500 folders announcing the honor are supplied for distribution among the agent's clients and prospects.

The speaker was introduced by LAA President A. H. Thiemann, 2nd vice-president of New York Life.

Donald E. Lynch, director of public relations of Mutual Benefit Life, introduced luncheon guests in his capacity as Eastern Round Table committee chairman.

Walter M. Harrison Jr., Travelers, was moderator of a panel on "how to reach a specific market." C. Russell Noyes, Phoenix of Connecticut, presided.

Alfred G. Whitney of LIAMA said samplings are being taken to learn who are buying policies, where they reside, what kind and size of coverage is purchased, how premiums are paid, the relationship between age and purchasing and seasonal trends.

Donald Armstrong, New York Life, exhibited charts showing that most of New York Life's business is done in 211 United States counties representing 72% of the population. He explained how his company breaks down population and income figures to determine where its markets are located.

Leighton G. Harris, New England Mutual, was moderator of a panel on "how to merchandise a policy."

A panel on "how to develop news in your company" had as moderator

Dudley B. Martin, Institute of Life Insurance, who said management decisions and activities often make news that is interesting to the public, hence the public relations staff needs a good "pipeline" to top management.

J. W. Tierney, Travelers, suggested development of contacts with wire services and other organizations handling news of national importance. Life companies should know how these organizations operate and learn to use them when big stories develop.

The value of local news was pointed out by William K. Paynter, Connecticut General. He told how to supply news about local agents and company activities to hometown newspapers.

Bruce Fouche, Institute of Life Insurance, reported that the institute resurrected some old films on insurance and distributed them among the TV stations in hopes of obtaining about 25 showings. The results were surprising: the films were presented close to 1,000 times, he reported. Don't forget radio he said. It still has a future.

Marvin Kobel, Metropolitan Life, said company house organs often carry news items that are important and interesting enough to win space in the newspapers. These magazines should be watched with an eye to developing additional stories for public consumption, he said. He also discussed relations with the trade press and the type of news these publications seek.

John H. Warner, Aetna Life, presided.

A talk by August Heckscher, chief editorial writer of the New York *Herald Tribune*, closed the two-day session.

## Retaliatory Tax Bill Passes Both Houses in Ia.

DES MOINES—The Iowa legislature completed action on a retaliatory insurance tax bill. The senate passed the house bill 43 to 0 and sent the measure to the governor. The bill is expected to bring in approximately \$500,000 in additional state revenue. A similar law was repealed by the Iowa legislature in 1945 due to the threat of federal regulation.

The measure provides that any out-of-state insurance company shall be taxed at the same rate that Iowa companies are taxed in their state. Iowa has a 2% premium tax.

Bills which have passed the house and gone to the senate include an unfair practices act, a bill to give life companies the right to make loans secured by mortgages which have lease and purchase contract with the federal government, and a bill to give surviving widows and children the same right to sue for damages as now provided a male parent.

## N. Y. Interest Bill Moves

A bill which would prohibit life companies from charging interest on interest on policy loans has been passed in New York senate and sent to the rules committee. Unpaid policy loan interest is added to the loan and bears interest under present law. The Greenberg bill would simply add the word "not" to the statute. The companion Levine bill has been defeated in the assembly. Observers indicated the Greenberg bill is not well regarded by life companies and may be defeated.

## Award Unit Management Diplomas

Equitable Society has awarded diplomas in unit management to 27

members of its field force who recently completed its school in unit management at Pocono Manor, Pa. The semi-annual schools take place alternately east and west of the Mississippi.

## Colonial Life Makes Two Promotions

Colonial Life has promoted Joseph B. Corbett to underwriting secretary and Richard G. Mulholland to manager of the underwriting department.



Joseph B. Corbett

Mr. Corbett has been manager of the underwriting department since 1938 and will remain in charge of underwriting functions. He joined the company in 1936.

Mr. Mulholland joined the underwriting department in 1949.

## Northwestern Mutual and Bank to Finance Tankers

Oleum Transport Corp., a new shipping company, proposes to build three tankers for navy duty costing \$8,240,000 each and has arranged through Eastman, Dillon & Co., New York investment house, for capital from Northwestern Mutual Life and National City Bank of New York. It is said to be the first time a major ship program will be financed completely by insurance companies and banks.

## Doonan Heads Chrysler Group Department

William J. Doonan has been named director of pensions and group insurance of Chrysler Corp. He has been with Chrysler since 1933 and has participated in the installation and operation of the pension and insurance plans now available to Chrysler employees.

## S. C. Premium Tax Fought

A proposed 2% premium tax on domestic insurance companies, if approved, would drive a substantial number of them out of business, the South Carolina senate finance committee was told by a group representing approximately 60 insurers. They also objected to a proposed reduction in the rebate on the 3% premium tax to foreign companies making investments in state securities.

## Variable Annuity Bill in N. H.

A bill has been introduced in New Hampshire senate to permit life companies operating in the state to sell variable-type annuities designed to reflect the value of the dollar at the time payments are made.



At the General Agents & Managers Conference luncheon in Columbus: Claris Adams (center), executive vice-president and general counsel of American Life Convention, who made the principal address; Henry Persons (left), Mutual of New York, Chicago, GAMC program chairman, and M. L. Camps, John Hancock, New York City, GAMC chairman.

## Public Disclosure of Union Welfare Funds Is Supported

The life insurance business supports public disclosure of essential financial and administrative details of union welfare funds to promote a feeling of confidence by those covered, C. Man-ton Eddy, vice-president and secretary of Connecticut General, and Gilbert W. Fitzhugh, second vice-president of Metropolitan, told a Senate labor subcommittee on welfare and pension plans.

The spokesmen for the life insurance business termed "not characteristic of insured welfare programs" the abuses which the subcommittee has found in 29 welfare funds studied. The abuses are in contrast to ethical standards which prevail in most employee welfare funds, they said.

The speakers indicated that restrictive legislation in this field would tend to discourage further growth of union welfare funds. They said the subcommittee's work is constructive and offered the continuing cooperation of the life insurance business.

## Pa. Assn. to Honor Legislators, Governor

Pennsylvania Assn. of Life Underwriters will hold a legislative reception and dinner at Harrisburg April 26 with Insurance Commissioner Smith as principal speaker. E. P. Bragdon, Harrisburg general agent of Minnesota Mutual Life, chairman of the association's legislative committee, has notified members that Gov. Leader will attend.

## Pru Slates Sales Parley

Prudential's district agencies department will hold its first 1955 two-day regional conference for 700 sales representatives from Connecticut and parts of New York on Mar. 29-30 at Atlantic City.

Harold M. Stewart, executive vice-president, heads the group of officials who will take part in the program on sales and service. Seven more regional conferences will be held in 1955 for 4,000 managers and agents from eastern and middle-Atlantic states in New York City, Montreal and Atlantic City.

## 41 Attend Electronic Machine Class

Thirty-eight representatives of 19 life companies attended the Type 705 electronic data processing machine customer executive class held by International Business Machines Corp. in New York City. Three IBM officials were in the class, which was conducted by men of the education department and world headquarters. The 705 is IBM's most advanced machine now in production.

At the General Agents & Managers Conference luncheon in Columbus: Claris Adams (center), executive vice-president and general counsel of American Life Convention, who made the principal address; Henry Persons (left), Mutual of New York, Chicago, GAMC program chairman, and M. L. Camps, John Hancock, New York City, GAMC chairman.

The N writers in Wash by the a The buil NALU Training at 22nd ington, D NALU w building



## Senate Inquiry Into Welfare Funds Gets Underway

WASHINGTON—The Senate labor and public welfare subcommittee headed by Douglas of Illinois began hearings here this week on union welfare and pension funds with a panel discussion in which several representatives of the insurance business, of banking, of employers and of organized labor were heard, including Richard Blomquist of Marsh & McLennan; Martin E. Segal, New York consultant; G. Warfield Hobbs of National City Bank, New York; Nelson Cruikshank and Lane Kirkland of AFL; Jack Barbash of CIO; Frank B. Cliffe of H. J. Heinz Co., George Faunce of Continental Baking Co., and Horace Sheldon of the Commerce & Industry Assn. of New York.

Mr. Cruikshank said "the main burden of our criticism against cash indemnity plans of the type offered by commercial insurance companies lies in their inherent inability to provide the worker with adequate protection, or, in fact, any real insurance against the actual charges made by doctors." He concluded by plugging for national health insurance.

Mr. Barbash opposed establishment of a uniform standard for fund expenses. A 7% fund administrative cost may be unreasonable, he admitted, but a 2% one is unreasonable if the insurance company does most of the work.

Mr. Cruikshank said agents have been paid in some cases for doing what the insurance company contracted to do. Union officials should not be insurance agents, he said.

Mr. Sheldon recommended insurance department regulation of such funds and disclosure of pertinent data on fund operations. He recommended a code of fair practice on payment of commissions and service fees by insurers as outlined by former Superintendent A. J. Bohlinger of the New York insurance department.

State legislation is likely in New York or other industrial states before a federal regulatory program is enacted he indicated. The problem of welfare fund corruption, abuse and maladministration is an important and substantial one which calls for a moderate measure of public information. No lasting improvement can be counted on unless certain statutory safeguards are enacted.

To avert difficulty in administration of state control, he pointed out, the precise scope of state insurance department supervision over welfare



Officials of National Assn. of Life Underwriters, holding its mid-year meeting at Columbus, pictured with Governor Lausche of Ohio, who extended his greetings to the insurance group. Left to right, Lester O. Schriver, managing director, Robert L. Walker, NALU president, Governor Lausche, and Stanley C. Collins, NALU vice-president, who is an agent of Metropolitan Life at Buffalo.

funds requires careful definition. Workable state supervision can be attained if the principle is followed of requiring every multi-state fund to designate a principal office location and be subject to regulation by that state.

The way to get at the commission problem, with its potential for corruption, short of outlawing payment of all commission is to set up a voluntary code of fair practice. This would be prepared by the insurance department cooperating with the insurance business and others and would eradicate temptations posed by mandatory payment of commissions without seriously disrupting otherwise sound insurance practice.

Mr. Segal testified briefly and filed a lengthy statement. He opposed commingling of casualty and life funds so that casualty losses could be made up out of life funds. He favored pooling of policies for certain purposes, but not others. He recommended annual fund reports.

## Revise Management Lineup of Control of Columbus

D. B. Paddock has been elected a director of Central Assurance of Columbus to succeed his late father. Other directors remain the same, but the administrative officers have been changed and James G. Kahle becomes general manager. He has been general counsel, and succeeds his father, who was counsel since the founding of

the company. Richard C. Rowley has been named agency manager, Robert E. Weekley is in charge of the disability department, Dr. E. R. Zartman is medical director, and C. G. Lane has been named general counsel.

In 1954 the company had an increase in life business of 31%, and assets as of Dec. 31 were \$1,442,604, and surplus \$595,790.

## Md. Passes Two Fraternal Bills; Three Move in House

The Maryland legislature has passed two bills regulating fraternal benefits and the house has approved bills to limit life policy liabilities to require contract descriptions, and to regulate contracts.

One bill sent to Gov. McKeldin lists the benefits fraternal can pay and provides for their operation. The other provides for benefits on the lives of children in fraternal insurance contracts.

Bills passed in the house would set limits on liabilities companies may assume in life policies; require contract descriptions at the foot of the first page of policies and annuities; and define misrepresentation and advertising of policy contracts.

William B. Ross, a San Francisco loan representative of Northwestern Mutual Life for the last six years, has been named loan agent in Winston-Salem, N. C., to succeed John S. Williams, who is going into private business.

## NALU Plans Call For Naming Assistant Managing Director

COLUMBUS—Addition of a new office staff officer—assistant managing director—is one of the recommendations in a comprehensive functional survey report adopted "in principal" by National Assn. of Life Underwriters board of trustees at the midyear meeting here.

Other personnel recommendations include creation of the positions of director of public information and director of publications. For the present, the assistant managing director would also serve as director of public information.

The survey was made by the management and public relations firm of Swanson & Dalzell of New York City.

Under the proposed plan there would be six departments or divisions, of equal rank, headed by the comptroller, director of field services, director of publications, director of public information, and the general counsel.

The report applies accepted management principles of the operation at NALU headquarters operations, which have become increasingly complex and diverse over the years.

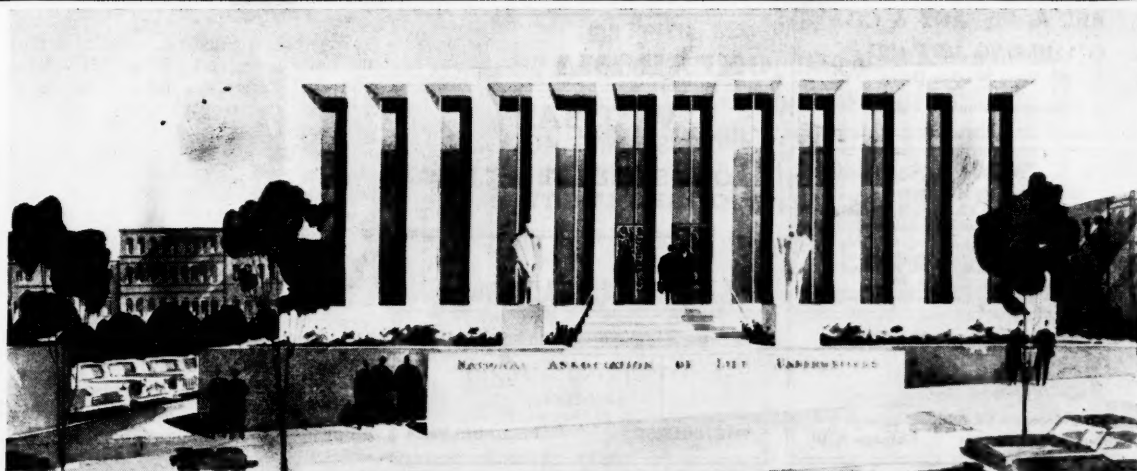
Except for the assistant managing director-director of public information, the divisions would be headed by those at headquarters who are already handling those functions.

There was no indication of how soon any of these recommendations would be put into effect. The executive committee will study them with particular regard to budget problems involved in the proposed expansion of services.

Treasurer J. E. Bragg, Guardian, New York City, expressed the executive committee's view that surplus should continue to be built up.

An important part of the recommendations is due to Swanson & Dalzell's finding that NALU is faced with the problem of assisting its members and committees in meeting public misapprehensions that are presently costly and that hold great future danger to the members. Socialized insurance programs and promotion of "jackpot" insurance policies are only two of the clouds on the horizon, said S. C. Swanson, the firm's president.

"Certain union insurance practices, and public misunderstanding caused by federal trade commission inquiries have weakened public confidence in all lines of insurance and the agent in this field is faced with a more discouraging climate in creating and building public confidence," he added.



The National Assn. of Life Underwriters Memorial building to be built in Washington, D. C., as envisioned by the architects, Pereira & Luckman. The building will house the officers of NALU and the Life Underwriters Training Council. It will be located at 22nd and C streets, N. W., Washington, D. C. Association officials hope NALU will be able to move into the building in July, 1956.



He Stands Out  
in a Crowd

He stands out in a crowd,  
because, as an Oslico  
Field Man, he's headed  
for ever-increasing suc-  
cess. Let us show you how  
you can better yourself.

WRITE TO  
**THE OHIO STATE LIFE**  
Insurance Company  
COLUMBUS, OHIO

A COMPLETE LINE OF LIFE, HEALTH,  
ACCIDENT AND HOSPITAL COVERAGE



## McHaney Raps A & H Reinsurance Bill at LIAMA Meet

The administration-proposed A&H reinsurance bill could develop into a worse headache than social security, Powell B. McHaney, president of General American Life of St. Louis, declared at the closing session of the LIAMA A&H meeting at Chicago. He urged forceful, organized opposition to any measure that opens possibilities for expansion of socialism.

In failing to take a forceful and forthright stand against the social security plan in the 30s, the industry permitted a gigantic encroachment into private insurance, and a similar reluctance to act now might be even more dangerous, he asserted.

Mr. McHaney outlined the job the reinsurance bill is intended to do and carefully pointed out how private insurance is doing or is capable of doing the same jobs more efficiently.

He gave statistics showing the great percentage of insurable persons now covered by A&H to illustrate that the needs of the people for health services are being met by private companies. "The remarkable record of the accident and health business is convincing proof that the business is alert to the changing needs of the people," he said.

"If there is a lack of coverage in rural areas today, it is due more to the shortage of hospitalization and medical personnel and facilities than to the lack of insurance coverage," he said. The proposed bill could not solve this problem.

Proponents of the reinsurance bill claim it will tend to promote experimentation which will lead to more and better coverages. Mr. McHaney pointed out that under private insurers benefits have been regularly increased and policies liberalized. Experiments are constantly being undertaken by the companies, he said, giving major medical as an example.

The reinsurance program cannot "serve to extend protection to uninsurable risks unless the government intends to subsidize the life and accident and sickness insurance business... and therein lies the fallacy of the proposal."

The "real problem facing America," according to Mr. McHaney, "is not a problem of insurance but a problem of furnishing medical care and hospital care to uninsurables and the indigent... Insurance companies cannot furnish such care under the principles of sound operation... Poverty is the problem of society as a whole."

Mr. McHaney pointed out that during the depression food and clothing stores were not asked to pool together to care for the needy; basic essentials were provided through the distribution of funds by the government. "Medical care and hospitalization are also basic essentials," he said, "and, if necessary, could be provided in the same way."

Going into the financial effect of the proposal on companies, the speaker explained that the reinsurance pool would pay benefits only after a 100% loss ratio (after expenses) is incurred. The private company's surplus must stand one quarter of the excess.

"How many well-run companies will offer a form of coverage upon which abnormal losses are expected, with consequent threat to the financial sta-

bility of the company, at the expense of existing insured? And, if companies should offer and reinsure coverages upon which they anticipate a loss, then the reinsurance pool cannot be operated soundly and must ultimately be drained."

If the bill can perform any service, he said, "it can only do so through ultimate governmental subsidization of excessive losses. That will inevitably lead to governmental regulation and finally complete nationalization."

## Lincoln Income Expanding

LOUISVILLE—Lincoln Income Life, effective as of April 1, has purchased all assets and business of Provident Indemnity of Philadelphia in Alabama, Georgia, Louisiana and Mississippi. While the home office of Lincoln Income is located in Louisville, headquarters for the newly acquired southern territory will be established in Atlanta, with division offices in Atlanta, Birmingham, New Orleans, and Jackson, Miss. The operation of the four states will be headed by Wood Rose, present Kentucky division manager.

## THE UNITY LIFE & ACCIDENT INSURANCE ASSOCIATION

Insures

The Whole Family

Unity agents are equipped  
to serve every need for per-  
sonal insurance. Juvenile  
policies our specialty.

E. R. DEMING  
President

L. J. BAYLEY  
Secretary

HOME OFFICE — SYRACUSE, N. Y.

## MANAGEMENT CONSULTANTS

O'TOOLE ASSOCIATES  
Management Consultants  
To Insurance Companies

Established 1945  
P. O. Box 101 Queens Village, N. Y.  
Phone — HOLLIS 4-0942

## LIFE AGENCY DIRECTOR

This is for a medium-sized Mid-Western Company, who need a man to rejuvenate their agency plant. The man who can produce results will get the number one spot. Starting salary \$15,000. Send your qualifications confidentially to

FERGASON PERSONNEL

330 So. WELLS ST., HARRISON 7-9040  
CHICAGO 6, ILLINOIS

## ACTUARIES

### CALIFORNIA

COATES, HERFURTH &  
ENGLAND

Consulting Actuaries

San Francisco Denver Los Angeles

### RON STEVER and COMPANY

CONSULTING ACTUARIES  
EMPLOYEE BENEFIT PLANS

Los Angeles and San Francisco

### GA. VA.-N.Y.

BOWLES, ANDREWS &  
TOWNE

Consulting Actuaries  
Employee Benefit Plans

Atlanta • Richmond • New York

### ILLINOIS

CARL A. TIFFANY & CO.  
CONSULTING ACTUARIES

211 West Wacker Drive  
CHICAGO 6  
Telephone FRanklin 2-2633

Harry S. Tressel & Associates  
Consulting Actuaries

10 S. LaSalle St., Chicago 3, Illinois  
Telephone FRanklin 2-4020

Harry S. Tressel, M.A.I.A. W. P. Kelly  
M. Wolfman, F.S.A. A. Selwood  
M. A. Moscovitch, A.S.A. M. Kazakoff  
D. Sneed L. Miller

CHASE CONOVER & CO.

Consulting Actuaries  
and Insurance Accountants

Telephone FRanklin 2-3868  
135 S. La Salle St. Chicago 3, Ill.

### IND. & NEB.

Haight, Davis & Haight, Inc.

Consulting Actuaries

ARTHUR M. HAIGHT, President  
Indianapolis - Omaha

### MISSOURI

NELSON and WARREN

Consulting Actuaries  
Pension Consultants

ST. LOUIS KANSAS CITY

### NEW YORK

Consulting Actuaries  
Auditors and Accountants

Wolfe, Corcoran & Linder

116 John Street, New York, N. Y.

### OKLAHOMA

W. J. BARR  
CONSULTING ACTUARY

HOME STATE LIFE BUILDING  
OKLAHOMA CITY, OKLA.

### PENNSYLVANIA

FRANK M. SPEARMAN

CONSULTING ACTUARY

ASSOCIATE  
E. P. Higgins

THE BOURSE PHILADELPHIA

S. R.  
as N  
COL  
put a

S. Rain  
year m  
Manage  
Mr. V  
new tes  
LIAMA  
panies  
that rej  
of appli  
old test  
Also,  
cuts ou  
have pa  
"You  
it didn  
wheels  
to no av  
the old  
therefor  
The m  
geared  
such as  
jobs if  
ance sel  
Mr. V  
ticism a  
means o  
"We've  
said. "I  
long tim  
any luc  
which t

N. C. C  
Move,  
The  
sharply  
ers to c  
policies,  
house in  
so appro  
under th  
The m  
give wri  
from 30  
icy to t  
fect for  
The c  
bills and  
prove th  
Another  
A&H in  
of credit  
\$100 or  
sell cred  
more, bu  
the loan  
those al  
would h  
policy w  
was mac

Lectur  
to Dav  
David  
organize  
inal lect  
rial to t  
who was  
lege of I  
of his d  
vice-pres  
of North  
man of  
Dr. S. S.  
of the c



## S. Rains Wallace Defends New Aptitude Index as No Harsher, with Proper Cut-off Score

COLUMBUS, O.—The extra time to put a candidate through the new *Aptitude Index* tests is well worth while if the two hours it takes means avoiding the "week-or-month-long horror of reaching mutual agreement that one of your men has failed," said S. Rains Wallace, Jr., LIAMA director of research, at the mid-year meeting of General Agents & Managers Conference here.

Mr. Wallace said some may feel the new test cuts out too many men but LIAMA has helped most of its companies to pick out new cut-off scores that reject about the same proportion of applicants that were cut out by the old test and cut-off score.

Also, some have found the new test cuts out men that the old one would have passed, and vice-versa.

"You bet it does!" he declared. "If it didn't, we would have spun our wheels and spent thousands of dollars to no avail. The new test is better than the old. It calls its shots better and therefore differently."

The new *Aptitude Index* is better geared to reflect current conditions, such as greater ease in getting other jobs if things get tough in life insurance selling.

Mr. Wallace expressed much skepticism about "personality" tests as a means of selecting life agents.

"We've checked two of them," he said. "It takes a lot of work and a long time. Up to now, we haven't had any luck. For example, the last one which tells a lot about the man (it

says here) was given to over 800 agents before they were hired. The man who constructed the test scored it and put the agents into five groups ranging from very good chances of success to very poor. The over-all success rate for the group was 24%.

"Here is how the test picked them. Best chances of success: 25% successful. Above average chances: 22% successful. Average chances: 21% successful. Below average chances: 23%.

Poorest chances: 24% successful. Brother, finding out all about those men wouldn't have done you much good. It could have done you harm. It would have made you cut out a lot of potential successes."

Mr. Wallace said that sometimes there is a tendency to worry about the fact that the agent survival rate has not changed to any considerable extent in the last 20 years (perhaps forgetting that in the light of the change in the labor market this, in itself, is no mean accomplishment).

"In any case," he said, "it should not

stop us from recognizing that in 1933 a very large proportion of new recruits who first entered our business and survived a year produced less than \$40,000 in their first year. By 1949, half of all our new recruits who survived six months did over \$47,000 in their first six months. And of the men you recruited during the first quarter of 1954, half did better than \$78,000 in their first six months. This is real progress. It is much too great to be accounted for on the basis of change in the value of the dollar. It means that you are doing a better job."

S. Rains Wallace

### DISABILITY RATES REDUCED WAIVER UNDERWRITING GUARANTEED

## WESTERN UNION

AVERAGE DISABILITY WAIVER COST REDUCED BY FORTY PER CENT. WAIVER UNDERWRITING AUTOMATIC (EXCEPT ON RETIREMENT ANNUITIES) IF APPLICANT ELIGIBLE FOR STANDARD INSURANCE ON ORDINARY LIFE PLAN. WAIVER AVAILABLE FOR MARRIED WOMEN. NO AVIATION RESTRICTION.

### NEW TERM TO 65

## WESTERN UNION

LOW GROSS PREMIUM "TERM TO 65" TAILOR-MADE FOR SOCIAL SECURITY PROGRAMMING AND AS BASE POLICY FOR MORTGAGE PROTECTION RIDERS. EXCELLENT BUSINESS KEYMAN CONTRACT. CONVERTIBLE TO AGE 60 AS OF ORIGINAL OR PRESENT DATE.

### TERM RATES CUT

## WESTERN UNION

COST REDUCTIONS ON 10 AND 20 YEAR TERMS NOW EFFECTIVE. RENEWAL AND CONVERSION PRIVILEGES GUARANTEED. TERM CONTRACTS ON SUBSTANDARD RISKS ISSUED UP TO 250% MORTALITY. PREMIUMS ALSO REDUCED ON FAMILY INCOMES AND HOME PROTECTOR RIDERS. THESE RIDERS AVAILABLE EVEN WITH TERMS AS BASE POLICIES AND ARE TRANSFERABLE ON CONVERSION.

### N. C. Cancellation Bills Move, New One on Credit

The North Carolina bill which sharply curtails the power of insurers to cancel or fail to renew A&H policies, has been approved by the house insurance committee, which also approved a bill to bring Blue Cross under the same restrictions.

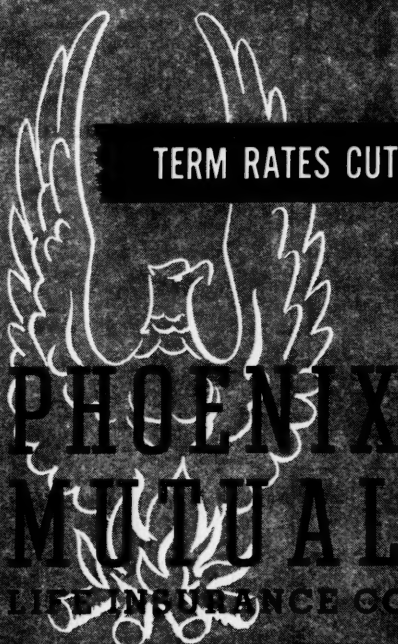
The measure requires the insurer to give written notice for periods ranging from 30 days on a one-year-old policy to two years on a policy in effect for nine years before cancelling.

The committee strongly favored the bills and the house is expected to approve them.

Another bill would eliminate credit A&H insurance and prohibit the sale of credit life unless the loan was for \$100 or more. Loan agencies could sell credit life on loans of \$100 or more, but the cover could not exceed the loan, premiums could not exceed those allowed by law, and borrowers would have to be furnished with a policy within 30 days after the loan was made.

### Lecture is Memorial to David McCahan

David McCahan foundation has been organized to provide an annual original lecture for life agents as a memorial to the late Dr. David McCahan who was president of American College of Life Underwriters at the time of his death last year. Grant L. Hill, vice-president and director of agencies of Northwestern Mutual Life, is chairman of the memorial committee and Dr. S. S. Huebner, president emeritus of the college, is honorary chairman.



## West Coast Makes H. O. Staff Changes

West Coast Life has made a number of recent changes. Dr. A. C. Olshen, vice-president and chief actuary, has been elected a director to fill the vacancy created by the retirement after 39 years of service of Carlos C. Warner, vice-president, secretary and director.

Dr. Olshen, for several years an examiner for the Oregon insurance commission, went with West Coast Life

in 1946 as actuary and controller, being named vice-president and actuary in 1948. He is a past-president of Actuarial Club of the Pacific States. Mr. Warner went with the actuarial department of the company in 1916, and after overseas service in World War I, returned in 1919 as assistant actuary. He was elected secretary in 1927, a director in 1930 and a vice-president in 1949.

Van Vanette was named vice-president in charge of group sales. He joined the company in 1928 following World War I service and 10 years of

selling experience. He has directed the group activities of the company for 17 years during which time group life in force has increased from \$15 million to \$234 million.

Leo Nordquist has been promoted from associate actuary to actuary and W. J. Ritchie to controller. John Tietjen and W. H. Lane were named assistant secretaries.

## Donohue Seeks 2nd NALU Trustee Term

John C. Donohue, associate general agent at Baltimore of Penn Mutual, has been endorsed by Maryland and Baltimore associations for reelection as trustee of National Assn. of Life Underwriters.

Mr. Donohue first was elected in 1953 and served that year as chairman of the committee on associations. He now is national membership committee chairman, having been pro tem chairman on the death of Mitchell M. Roesser. He is serving a two-year term.

Mr. Donohue entered the life business in 1939 as Annapolis agent of Equitable Life of Iowa. He took his present post in 1953. He is former president and board chairman of the Baltimore association, and took part in the recent formation of the Maryland association.



John C. Donohue

## San Antonio CLUs Hear Attorney on Estate Building

Fred Woodley, attorney, spoke on the use of life insurance in estate building at a meeting of the San Antonio CLU chapter.

He explained how a will, trust fund and insurance may best be employed. Emphasizing that insurance should be provided for the payment of taxes upon an estate, he advised the use of the irrevocable interest provision. If there is a revocable will or revocable interest, he said, there should be a provision that money is to go to a charitable organization, or the insurance will be taxed as part of the estate.

Mr. Woodley stressed the importance of key man insurance and the value of leaving insurance rather than stocks, which are taxable.

## Brenner Named at Columbus



Daniel J. Brenner

Daniel J. Brenner has been named manager of the Columbus, O., agency of Home Life. He formerly was an agency field assistant in the home office. He joined the company at Pittsburgh in 1945, became assistant manager there in 1951 and agency field assistant in September.

## Head Medical Fund Units

NEW YORK—Julian S. Myrick of Mutual of New York is chairman of the banking, finance and insurance section of the National Fund for Medical Education's committee of American industry. The life insurance committee is headed by Devereux C. Josephs, chairman of New York Life. The fund is embarking on its spring drive for contributions.

## Sixty-First Year of Dependable Service

★ The State Life Insurance Company has paid \$194,000,000 to Policyowners and Beneficiaries since organization September 5, 1894 . . . The Company also holds over \$84,000,000 in Assets for their benefit . . . Policies in force number 102,000 and Insurance in force is approximately \$220,000,000 . . . The State Life offers splendid agency opportunities—with liberal contract, and up-to-date training and service facilities for those qualified.

★ ★ ★

## THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

LONG TERM BANK LOANS  
ARRANGED ON VESTED  
RENEWAL CONTRACTS



LIFE AGENTS  
GENERAL AGENTS  
AND BROKERS

U. C. & G. C. serves the financial needs of those engaged in the Life Insurance Business. Your tax problems may be simplified and savings effected. Correspondence invited.

UNDERWRITERS CREDIT & GUARANTY CORPORATION

340 Pine Street, San Francisco 4, California  
Southern California & Arizona Branch Office  
9935 Santa Monica Blvd., Beverly Hills, Calif.

NOW . . .

"do-it-yourself"  
GROUP INSURANCE



## Sales Robot®

makes it possible  
for YOU to:

- PLAN your group sales activity
- SELL your own prospective clients
- UNDERWRITE your own groups
- BIND your own cases without delay

Get the facts on this self-service underwriting kit that enables YOU to cash in on big Group premium commissions. SALES-ROBOT simplifies Group selling . . . gives you the tools you need to "quote on the spot" . . . places YOU in this lucrative field.

Stop groping . . .  
start GROUPING!

Write now to your  
U. S. Life general agent or to

THE  
**UNITED STATES**  
LIFE INSURANCE CO.  
IN THE CITY OF NEW YORK

The United States Life Insurance Co.  
84 William St., N. Y. 38, N. Y.  
Dept. NU 3-25

Gentlemen: Please send us complete information on the Sales Robot and Group Selling.

NAME \_\_\_\_\_  
STREET \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_



## Panels to Dominate Southern LAA Meet

Panel discussions on public relations, printing, motivating agents and sales presentations will highlight the Southern Round Table meeting of Life Insurance Advertisers Assn. in Dallas May 2-3.

Charles K. Reid, senior consultant for company relations, will be a featured speaker. Also, Howard King, consultant on typography to the Inter-type Corp., will tell how life advertising needs the new look and Roy Cowan of the Southwest Printing Co., Dallas, will discuss the use of color in advertising and sales promotion.

A. B. Richardson, LAA vice-president and director of public relations for Life of Georgia, will lead a discussion on life insurance public relations in action. Don B. Parkinson, sales promotion director of Southwestern Life, will lead a discussion on material to motivate agents and sales presentation pieces.

A joint luncheon with the Dallas Advertising League will close the meeting. A. H. Thiemann, LAA president and 2nd vice-president of New York Life, will speak.

Round Table Chairman Marion L. Davis, advertising manager of Provident Life & Accident, will preside at the sessions. Loflin Harwood, director of public relations of Southwestern Life, is program chairman.

## McCaffery Speaks at Wis. Leaders Round Table Meet

MILWAUKEE—Charles B. McCaffery, director of advanced underwriting training in the home office of Northwestern Mutual Life, was speaker at the Wisconsin Life Insurance Leaders Round Table here. Paul A. Schuette Jr., Northwestern Mutual Life, Manitowoc, round table chairman, was in charge. Mr. McCaffery, discussed the new internal revenue code on taxes and how the provisions relate to business insurance and estate problems.

## Midwestern United to Hike Capital to \$500,000

Stockholders of Midwestern United of Fort Wayne voted to increase the capital from \$300,000 to \$500,000 and to issue 75,000 additional shares as stock rights to present stockholders only, at a price of \$2.

The company had record production of \$29,532,000 in life insurance paid for during 1954, an increase of 20%. Assets increased to \$5,506,992, a gain of more than 35%.

## Travelers Names Agency

Maurice Linder & Son of New York City has been named a life general agency of Travelers. Mr. Linder has qualified for Million Dollar Round Table 25 times since he became a life agent in 1928. His son, Jerome Linder, has been associated with him since 1941.

## Paul Revere Shifts Two

Howard J. Foley Jr. and Minert N. Thompson Jr. have been assigned to the Detroit group office of Paul Revere Life. Mr. Foley, recently named a group supervisor, has previously been at Albany and Cincinnati. Mr. Thompson joined the group department last year at the home office.

Preferred Life of Dallas has promoted Henry R. Lyon from secretary-treasurer to vice-president and treasurer and advanced Mrs. Helen Moore from assistant secretary to secretary.

## Figures from Life Companies' Year-End Statements Shown

	Total Assets	Increase in Assets	Surplus to Policy holders	New Bus. 1954	Ins. in Force Dec. 31, 1954	Increase in Ins. in Force	Prem. Income 1954	Benefits Paid 1954	Total Disburs. 1954
Empire Life, Can. ....	24,243,705	1,237,581	1,929,788	25,423,075	145,283,449	14,845,971	3,002,318	1,364,612	2,917,974
Excelsior Life, Can. ....	73,827,115	5,880,470	3,668,889	48,516,356	361,628,138	27,845,871	9,811,577	3,889,808	7,312,693
Federal Old Line Life ....	3,773,634	391,686	61,085	2,437,380	24,524,418	674,758	757,450	114,686	510,289
Guarantee Reserve Life ....	3,437,536	—1,797,937	1,183,902	14,711,362	19,801,065	—30,240,043	1,564,567	726,706	1,625,930
Life of Georgia ....	109,771,605	15,566,394	13,442,756	379,295,701	1,140,434,544	79,744,977	46,372,383	11,105,423	34,483,062
Pioneer Mutual Life ....	21,007,291	792,174	1,791,798	9,147,603	73,539,517	4,710,339	2,226,804	1,224,291	826,931
Prudential ....	11,737,411,094	792,930,503	668,181,264*	5,303,467,035	46,142,477,315	2,957,765,565	1,551,302,437	897,590,535	1,309,233,392
Security Life & Trust ....	46,958,966	5,900,978	5,883,021	167,403,277	531,830,274	92,093,344	10,119,984	3,689,845	11,319,913
Texas Prudential ....	28,371,732	2,907,023	3,919,515	54,385,564	201,996,033	9,017,251	6,054,532	1,488,745	4,613,818
Fraternal									
American Woodmen, Colo. . .	7,874,522	324,679	1,640,432	2,397,324	26,337,332	—249,373	742,672	302,443	903,179
Women's Catholic Foresters	28,456,660	669,832	5,389,768	3,642,311	63,415,447	59,877	1,276,985	346,657	1,582,473

\*Includes \$516,158,274 statutory contingency reserve.



*Once again we tip our hat  
to Max Matson...*

**Top Producer of 1954**

For the fifth time in his career, Max Matson of Cleveland has out-distanced every other Mutual Benefit Life man in individual production.

In accomplishing this feat, which involved placing nearly \$5,500,000 Mutual Benefit Life insurance, Mr. Matson also shattered the company's all-time record for individual production.

Mutual Benefit Life congratulates "Matty" Matson on his achievement—and commends to everyone his philosophy—"Service First, Sales Later."

**THE  
Mutual  
Benefit  
Life**

**INSURANCE COMPANY**

Organized in 1845 • 300 Broadway, Newark, N. J.

## REINSURANCE

### EVERY DAY

Reinsurance is a help  
in routine underwriting.

Especially if it has been  
tailored to your exact  
needs—the Employers way.

### EMPLOYERS REINSURANCE CORPORATION

KANSAS CITY, MISSOURI  
21 West 10th St.

NEW YORK  
107 William St.

CHICAGO  
175 W. Jackson

SAN FRANCISCO  
114 Sansome

LOS ANGELES  
1139 W. 6th

## FOR 50 YEARS MUTUAL TRUST

PRODUCERS HAVE ENJOYED THE  
COMPETITIVE ADVANTAGES OF:

- ✓ Low Net Costs
- ✓ Flexible Settlement Options
- ✓ Net Level Premium Reserves
- ✓ A Strong Surplus

For 50 years, Mutual Trust has been soundly and economically managed on a purely mutual basis for the benefit of its policyholders. In both large metropolitan areas and in smaller cities, Mutual Trust general agents are operating successfully in:

Cal., Conn., Ia., Ill., Ind., Mass., Me.,  
Mich., Minn., N.H., N.J., N.Y., N.D.,  
Ohio, Pa., R.I., Vt., Wash., Wis.

"As Faithful as  
Old Faithful"

## MUTUAL TRUST

LIFE INSURANCE COMPANY

135 S. LA SALLE STREET CHICAGO

PROFITABLE GENERAL  
AGENCY OPENINGS NOW  
AVAILABLE

Write to the  
Agency Secretary

## Proselyting Section of GAMC Code Held Too Strict by Some

The new code of ethics of the General Agents & Managers Conference of National Assn. of Life Underwriters is being criticized by some members as being unduly restrictive in pledging the manager or general agent not to talk to agents of other companies without first contacting the head of their agency.

The current issue of *GAMC News* quotes several of these critics.

"Many times I have men come to me in confidence to talk over their problems and the advisability of making a change, and under no circumstances do I intend to violate this confidence," W. A. Fraser, manager for Bankers Life of Iowa in Lincoln, Nebr., said. Mr. Fraser expresses the further opinion that there should be no restraint on a man's freedom of choice of job or company.

Harry L. Hamilton, Home Life of New York manager in Louisville, suggests the paragraph be changed to read, "To encourage agents of all other agencies to stay with their present connection unless there is a just and reasonable cause for their discontent. In this respect, I must always endeavor to maintain an impartial and unselfish point of view."

Oren Pritchard, manager for Union Central at Indianapolis, declared that he does not believe any code should attempt to restrain the right of an individual to improve his opportunities. "When you agree not to talk to a man about changing connections, without first notifying his present employer, you are restraining him," he said.

## Agent's 'Laziness' May Be Just Dislike for Having His Ego Kicked

COLUMBUS, O.—The agent who seems to lack industry is often not lazy but is just allergic to having his ego kicked around by unresponsive prospects in the course of trying to find one who is willing to listen, said Jack White, Prudential, Los Angeles, in his talk at the General Agents & Managers Conference mid year meeting here.



Jack White

"How frequently have you assumed that because a particular agent was hanging around the office too long or spending too much time over coffee or shuffling his prospect cards, that this agent lacked industry?" he asked. "In many instances, it is just because he can't bring himself to go out and face the reality of having his ego punched around..."

"We can make it known in the recruiting interview that the 'hard work' part of this business really means not just industry but repeated attacks on the self-esteem of the salesman. We can build confidence with education and training. Knowledge builds confidence. Confidence builds enthusiasm. Enthusiasm brings consistent work habits. Consistent work activity brings sales. Sales brings confidence. And around and around the cycle goes."

## Ala. Premium Tax Bill Dies; Alternate Offered

The bill calling for a flat 5% tax on gross premiums of all insurers doing business in Alabama, to finance an old age pension plan proposed by Gov. Folsom, has been allowed to die in committee.

An alternate bill, patterned after one in Oklahoma, has been introduced to provide a sliding scale with a maximum tax of 4%. Fire, casualty and life officials opposed both bills, pointing to retaliatory laws in 38 states that would tend to limit operations of Alabama companies to their own state.

There now is a premium tax of one-half of 1% on fire policies; 2.5% on life and casualty; and 1.5% on benevolent societies. There is no premium tax on burial and A&H insurers.

## W. Va. Law Gives FTC Powers to Commissioner

New legislation passed in West Virginia defines and makes unlawful unfair competitive methods and deceptive practices in the insurance business, and gives the state insurance commissioner authority similar to that exercised by the federal trade commission. Another new law bases group insurance coverage arranged by a county board of education upon a request from a majority of all full-time teaching and non-teaching employees at least 18 years of age.

## Seeks Incorporation in R. I.

Old Colony Life is seeking incorporation and authorization to operate as an insurer in Rhode Island. Incorporators named in the bill, introduced in the senate, are Roland A. Derosier, Priscilla McLean, and Mildred Holmes. The company would write life, endowments, annuities, A&H and other lines authorized for life companies. Authorized capitalization is to \$2 million.

## NAIC Zone 2 To Meet Apr. 27-29 in Baltimore

Zone 2 of National Assn. of Insurance Commissioners will hold a meeting April 27-29 at Sheraton-Belvedere hotel in Baltimore.

Claris Adams, executive vice-president and general counsel of American Life Convention, will speak at the April 27 dinner. Commissioner Bowles of Virginia, zone 2 chairman will preside. Peter H. May, vice-president and comptroller of Maryland Casualty, is chairman of the arrangements committee, which consists of men from Maryland insurance companies.

## Renewal Commission LOANS

LIFE UNDERWRITERS  
CREDIT CORPORATION  
Northwestern Bank Building  
Minneapolis 2, Minnesota

Meet Me at the **MANX HOTEL**  
At Union Square

In the heart of the shopping, business, financial, and entertainment districts. 300 guest rooms. Garage Service. Cocktail Lounge.

Sightseeing and Travel Information in Lobby

300 Rooms  
Suites from \$20  
Doubles from \$10  
Taxes from 1.50  
All with bath

225 Powell Street  
**San Francisco**  
CALIFORNIA



## 1955 Issue of Who Writes What? Is off the Press

Telling at a glance just which companies will write the many unusual life and A&S coverages, the **NEW Who Writes What?** for 1955 is just off the National Underwriter press. It is the unique annual reference book that provides instant answers to all sorts of "who-will-write-it" questions, and the only publication of its kind that is arranged by subject, rather than by company. The new 1955 edition contains all the latest information on the many different life coverages currently being offered by some 125 companies. It also carries a large special thumb indexed section providing similar information concerning the many accident and sickness coverages now being sold by approximately an equal number of companies in this important and rapidly growing field.

To find the answer to any particular question with **Who Writes What?**, one merely consults the comprehensive topical index, turns to the page indicated and then reads directly the list of companies offering the contract or form desired. Much relative information concerning the policy contracts and company practices is also presented in similar convenient subject form.

Among the more interesting new subjects in the 1955 **Who Writes What?** is one of the most alive ones in today's more aggressive life insurance market—namely who writes the "special" low cost policies with a minimum of \$10.-

### U. S. Life Names Two Assistant Actuaries

U. S. Life has appointed Irwin T. Vanderhoof and John E. Gray assistant actuaries. Mr. Vanderhoof began his career in 1950 with Metropolitan Life and joined U. S. Life in February.

Mr. Gray, entered insurance in 1941 with Metropolitan, joined Johnson & Higgins in 1950, and went with U. S. Life this month.

### Swan to Protective Life

William A. Swan, who has been with Minnesota Mutual Life at St. Petersburg, Fla., for the last four years, has been appointed general agent there by Protective Life.

### G. H. O'Brien Retires

George H. O'Brien, assistant manager in the group department, has retired after 30 years with Equitable Society. He was feted recently at a party. He will move to Florida next month.

### Chicago Company to Reinsure 20th Century Mutual of Detroit

LANSING—Supreme Mutual Life of Chicago has entered a reinsurance agreement with 20th Century Mutual in Detroit, the latter having been taken over by the department. The agreement, according to the department, precludes any possibility of loss to policyholders.

### Guaranty Savings Life Names 2

Guaranty Savings Life has elected Jay C. Leavell vice-president and director of sales promotion and advertising, and Jefferson D. Henry, vice-president and director of personnel and purchasing. Mr. Leavell joined the company in 1952 as agency secretary and editor of publications. Mr. Henry in 1953 as assistant to the president.

000 or more. **Who Writes What?** lists these companies, shows the minimum amount and gives the name of each of the special contracts.

With American business expanding throughout the world, a natural question is, "Who writes foreign risks?" **Who Writes What?** now gives these answers, classifying group insurance, individual risks, U. S. citizens, foreign nationals, U. S. firms, foreign firms, and listing the foreign countries in which U. S. companies are writing this business.

Other new unusual subjects include

"Who issues life insurance to women at a lower rate than for men?" and, "Who guarantees issue of plans funded by individual life insurance policies for groups, waiving the usual underwriting requirements?"

Among the more general life insurance subjects treated in **Who Writes What?** are surplus business, term insurance, including mortgage protection, non-medical, disability, investment contracts, accident and sickness, single premium contracts, substandard, aviation, pension plans, salary savings, advance premiums, settlement options,

brokerage, limits and group. Since many of the subjects are of somewhat an overlapping nature, the book is not divided into specific sections, but each subject is carefully indexed under all of the numerous questions it answers. All subjects have, of course, been brought right up to date. Selling singly at \$3.50 a copy, the new 1955 **Who Writes What?** may be obtained immediately, on approval if desired, from the National Underwriter Company, 420 East Fourth Street, Cincinnati 2, Ohio, or any National Underwriter office.

## LEADERSHIP

We have remarked often that The National Underwriter provides leadership to those in insurance who are responsible for policy making, who establish the pattern to be followed, and who determine the changes that are to be made in procedures and practices.

Practically all such people, in whatever echelon of the business they may be, read The National Underwriter, and by doing so keep completely up-to-date on significant trends, important developments, and current events and are able to detect indications of what is to unfold in the future.

The original material appearing in The National Underwriter provides them with an insight and understanding that is invaluable. It is often the result of considerable research and study. It is written by editors who take the time and trouble to get all of the facts and represents creative effort.

It is not overstating the case to say that by publishing editorials, articles, comments, reviews, forecasts and trends, written knowingly and authoritatively, The National Underwriter is providing leadership to those who guide the destinies of the insurance business.

## The NATIONAL UNDERWRITER

Largest Circulation of Any Weekly Insurance Newspaper



No. 24 of a series.



## CAN YOU LEAD A HORSE TO WATER AND MAKE HIM DRINK?

It's not as hard as you think:  
the secret lies in making the horse thirsty.  
And this secret is the key to success  
in the life insurance business.

You see, an underwriter's success or  
failure hinges on his ability to make a  
customer feel the need for life insurance.  
And right here is where a man can use  
all the help he can get! In addition

to selling sense, a man in the field must have two things  
from his company: 1. a varied portfolio of competitive  
contracts to fit every customer requirement, and  
2. salespromotion material that "makes the horse thirsty"  
—that arouses the feeling of "need" in the prospect.

American United men are hanging up new records of  
good business, making money for their policyholders, for  
themselves and for the company, because they have a full  
complement of practical and competitive selling equipment.



### AMERICAN UNITED LIFE INSURANCE COMPANY

INDIANAPOLIS, INDIANA

Assets over \$118 million, insurance in force over \$600 million

## Knapp, Hover Named by Mutual Benefit Life

Mutual Benefit Life has named Russell B. Knapp and John B. Hover general agents at New York City and Charleston, W. Va., respectively.

Mr. Knapp will take over the office known as William Street agency, which



R. B. Knapp



J. B. Hover

will move to the Woolworth building 233 Broadway, April 1. The agency has been under the management of Mitchell Nowak, brokerage manager, since John D. Brundage left to become assistant to the president of Bankers National Life of New Jersey in 1953.

Mr. Knapp has been with the company 17 years, having joined it at Cleveland and subsequently serving at Des Moines and at the Youngman agency in New York City, where he was associate general agent.

Mr. Hover succeeds Robert M. Giffen, who will continue with the agency in personal production. Mr. Hover began his career in 1941 at Charleston with Bankers Life of Iowa, becoming its manager at Salt Lake City in 1949.

## Mutual Benefit's New Business Up 30%

New business of Mutual Benefit Life increased 30% during the first two months of this year, compared with the similar period of 1954. Life sales totaled \$54,233,660, compared with \$41,800,074.

## Would Prevent Cancellation

A bill introduced in the Rhode Island house would prohibit any company writing insurance in the state from cancelling a policy during the contract term without the full consent of insured. Violation could lead to revocation of the insurer's license.

## Convention Dates

- March 24-25, Society of Actuaries, regional, Commodore hotel, New York City.
- March 26, Arizona Assn. of Life Underwriters, annual, El Conquistador hotel, Tucson.
- March 28-30, National Assn. of Insurance Commissioners, blanks committee meeting, Commodore hotel, New York City.
- March 30-April 1, National Assn. of Insurance Commissioners, zone 5 meeting, La Fonda hotel, Santa Fe, N. Mex.
- March 31, Connecticut Assn. of Life Underwriters, annual Yale Law School, New Haven.
- April 25-27, LIAMA Combination Companies Conference, the Cavalier hotel, Virginia Beach, Va.
- April 27, Confederation Life Assn., annual, Toronto, Ont., Can.
- April 27-29, National Assn. of Insurance Commissioners, zone 2 meeting, Sheraton-Belvedere hotel, Baltimore.
- April 29-30, Kansas Assn. of Life Underwriters, annual, Jayhawk hotel, Topeka.
- April 29-30, Iowa Assn. of Life Underwriters, annual, Sioux City.
- April 29-30, New England General Agents & Managers Conference, Ocean House, Swampscott, Mass.
- May 1-4, National Assn. of Insurance Commissioners, zone 3 meeting, Seelbach hotel, Louisville, Ky.
- May 4-6, American Management Assn., Insurance Conference, Statler hotel, New York City.
- May 5-6, Ohio Assn. of Life Underwriters, annual, Shawnee hotel, Springfield.
- May 6, Illinois Assn. of Life Underwriters, annual, La Salle hotel, Chicago.
- May 6-7, Pacific Northwest General Agents & Managers Conference, Spokane, Wash.
- May 9-11, H & A Underwriters Conference, annual, King Edward hotel, Toronto, Ont., Can.
- May 9-10, Assn. of Life Insurance Counsel, spring meeting, Greenbrier hotel, White Sulphur Springs, W. Va.
- May 9-11, LIAMA Agency Officers Round Table, the Homestead hotel, Hot Springs, Va.
- May 12, Michigan Assn. of Life Underwriters, annual, Veterans Memorial building, Detroit.
- May 16-18, Canadian Life Insurance Officers Assn., annual, Seignior club, Montebello, Quebec.
- May 16-18, Home Office Life Underwriters Assn., annual, Sheraton-Brock hotel, Niagara Falls, Ontario.
- May 18-20, Life Insurers Conference, annual, Broadmoor hotel, Colorado Springs.
- May 19, New Hampshire Assn. of Life Underwriters, annual, Carpenter hotel, Manchester.
- May 20, New York State Assn. of Life Underwriters, annual, De Witt Clinton hotel, Albany.
- May 20, Colorado General Agents & Managers Conference, Cosmopolitan hotel, Denver.
- May 20, Colorado Assn. of Life Underwriters, annual, the Cosmopolitan hotel, Denver.
- May 23-25, Insurance Accounting & Statistical Assn., Palmer House, Chicago.
- May 26, Wisconsin Assn. of Life Underwriters, annual, Elks club, Milwaukee.
- May 27, Wisconsin Assn. of Life Underwriters, sales congress, Elks club, Milwaukee.
- May 30-June 3, National Assn. of Insurance Commissioners, annual, Biltmore hotel, Los Angeles.
- June 1, Actuarial Club of the Pacific States, annual, Coronado hotel, San Diego.
- June 2-3, Society of Actuaries, regional, Hotel del Coronado, Coronado, Cal.
- June 3, Tennessee Assn. of Life Underwriters, annual, Andrew Jackson hotel, Nashville.
- June 10-11, Maryland Life Underwriters Assn., annual, Alexander hotel, Hagerstown.
- June 12-13, North Carolina Assn. of Life Underwriters, annual, George Vanderbilt hotel, Asheville.
- June 12-16, Insurance Division of the Special Libraries Assn., annual, Hotel Statler, Detroit.
- June 13-15, International Assn. of A & H Underwriters, annual, Gunter hotel, San Antonio.
- June 17-18, Alabama Assn. of Life Underwriters, annual, Muscle Shoals hotel, Sheffield.
- June 17-19, Consumer Credit Insurance Assn., annual, Nippersink Manor hotel, Genoa City, Wis.
- June 23-25, Texas Assn. of Life Underwriters, annual, Texas hotel, Fort Worth.
- June 24, Texas General Agent & Managers Conference, Texas hotel, Fort Worth.
- June 24-25, Georgia Assn. of Life Underwriters, annual, Hotel Dempsey, Macon.
- June 27-29, American Life Convention medical section, The Homestead hotel, Hot Springs, Va.
- June 27-30, Million Dollar Round Table, annual, Greenbrier hotel, White Sulphur Springs, W. Va.
- July 7-9, International Assn. of Insurance Counsel, annual, Hotel del Coronado, Coronado, Cal.
- Aug. 2-5, National Insurance Assn., annual, Hollenden hotel, Cleveland.

## A Complete Line of Coverage

Life Insurance      Accident & Health  
Hospitalization      Medical-Surgical

Excellent Opportunities for Capable Salesmen

## Bankers Life & Casualty Company

John D. MacArthur, President

Chicago 30, Illinois



## ASSOCIATIONS

### Pa. Assn. Annual May 19; Caravan Apr. 19-22; Fete Legislators Apr. 26

Pennsylvania Assn. of Life Underwriters will hold its annual meeting May 19-20 at George Washington hotel, Washington, Pa., opened by a board session at noon May 19. Kenneth L. Anderson, staff editor of Insurance R & R, Indianapolis, will speak at the banquet.

Delegates will meet at 9:30 a.m. the 20th. The session will close with a luncheon. William P. Lynch, Prudential vice-president, will speak. A committee of the Washington branch of the Pittsburgh association is arranging the affair.

The state association's annual sales congress caravan will be at Penn Alto hotel, Altoona, April 19, Colonial Country Club, Harrisburg, April 20, Frolic's ballroom, Allentown, April 21, and American Legion Home, Wilkes-Barre, April 22.

Speakers will be Russel G. Gohn, manager Philadelphia Life, York; Alan L. Reed, director of agencies, Prudential; Pasquale A. Quarto, director of training Life Underwriter Training Council, New York city; and Andrew A. Adinolfi, regional manager John Hancock, Philadelphia.

Insurance Commissioner Smith will address a Pennsylvania association legislative dinner April 26 in Harrisburg. Gov. Leader will attend.

Denver—Oren D. Pritchard, Union Central manager at Indianapolis and a candidate for trustee of NALU, addressed the February meeting, pointing to the many advantages accruing both to producers and policyholders through the work of the National and local agents' associations.

Gary, Ind. - The Calumet association was addressed by William E. North, manager of the northern Illinois branch of New York Life, Chicago.

Lima, O.—Speaker was Martin Feigert, Massachusetts Mutual Life, Van Wert.

South Bend, Ind.—"Stay With It!" was the topic of Carlyle P. Ruhl, Indiana director of agencies for Prudential.

Jackson, Mich.—Speaker was Home Hilton, Jr., assistant vice-president of Jackson National Bank. Edward Cimok was honored for his work as LUTC chairman.

District of Columbia—Horace R. Smith, superintendent of agencies of Connecticut Mutual Life and a former director of the Purdue course, spoke at the March meeting.

Green Bay Wis.—Robert E. Nelson, C.P.A., spoke on "Taxes and Estate Planning" at the March meeting of the Northeastern Wisconsin association.

San Antonio, Tex.—Prospecting was the topic at the March meeting, Leon McMahon, Jefferson Standard, giving the ordinary agent's view, and Pete Chism, National L. & A., presenting his methods as a combination man.

Austin, Tex.—Speaker was O. P. Schnabel, San Antonio manager for Jefferson Standard Life and a trustee of NALU. Deploring the agent who criticizes the other insurance company, he paid tribute to the man who tells the owner of a policy it is better than the one being offered by the agent because it is already in force.

Pittsburgh—Joseph L. LoBosco of Manufacturers Life at Hamilton, Ontario, spoke on how he became a member of MDRT in his first full year with his company and in the next two ensuing years qualified for life membership in MDRT.

Milwaukee—Benjamin N. Woodson, president of American General Life, spoke on "A New Look at Life Insurance." The event was designated "Cashiers day" and agency cashiers were invited guests.

Central Texas—Donald Richardson, Austin agency manager for American National, spoke on the problem of keeping the attention of the prospect while making a sales presentation at the March meeting of Central Texas Assn. of Life Underwriters—Bryan and College Station. The following men were appoint-

ed as members of the committee to make a study of the best methods of securing and assuring presentation of life insurance material in the high school of Bryan and College Station: James Daniels, chairman, and John B. Longley, both of American General Life, and Edgar Morris, New York Life.

District of Columbia—Horace R. Smith, superintendent of agencies of Connecticut Mutual, spoke. Six were nominated for directors, of whom two will be elected in May.

Newark—Robert L. Walker of Orlando, Fla., president of National Assn. of Life Underwriters, and Commissioner Howell of New Jersey, spoke at the March meeting.

Fox River Valley, Wis.—L. J. Larson, executive vice-president of National Guardian Life, was speaker at the March meeting at Menasha. The Equitable Reserve Assn., Neenah, was host.

Seattle—Herbert C. Wickstrand, Mutual of New York agent, was speaker at the March meeting.

Toledo O.—Harry N. Phillips of Detroit, regional group manager for Sun of Canada, was speaker at the March meeting.

Akron—Harry N. Kail, Cleveland, was speaker at the March luncheon meeting.

### Sales Meets at S. F.

The San Francisco and Oakland associations conducted identical sales congresses this week. The speakers were Reed C. Nelson, general agent of American Mutual Life at Oakland;

Robert E. Little, general agent of Paul Revere at San Francisco; Phillip Knox, Jr., Oakland attorney, and Thomas C. Kallan of the Kallan & Byers general agency of Pacific National of Utah.

The meeting opened with a breakfast of the San Francisco association, and the same program was presented for a luncheon of the Oakland-East Bay association. Kergie Moore, Pacific Mutual Life, was chairman for both meetings.

### Hervin Retiring After 41 Years with Metropolitan

I. E. Hervin, manager at Portland, Ore., for Metropolitan Life, is retiring after 41 years with the company. He has been manager for 26 years. He plans to make a trip to Europe with Mrs. Hervin.

Mr. Hervin was guest of honor at a dinner which was attended by Henry E. North, vice-president, and James O. Klein, superintendent of agencies in the Pacific Coast head office. Mr. Hervin is a past president of Oregon Life Managers Assn.

### Certiorari Denied

WASHINGTON—The Supreme Court denied certiorari writ in No. 558k, John Hancock vs. Beardslee.

### Travelers Group Plan Is Main Issue in L.&N. Rail Strike

LOUISVILLE—The health and welfare program to which the railroad unions are endeavoring to have the Louisville & Nashville Railroad agree is apparently the main bone of contention in the strike of about 20,000 workers on the L. & N. and controlled roads which has tied up all traffic for more than a week.

Many workers have their own insurance and have indicated they do not desire to accept the union's compulsory program, which, incidentally, is underwritten by Travelers and is in effect for more than 400,000 railway employees throughout the country. The L. & N. has its own voluntary program for its employees under which the company pays \$5.40 a month and the participating employees pay \$1.85. The railroad contends it cannot, under Kentucky law, deduct premiums from employees without their specific approval. Under the union compulsory plan the deduction would be \$6.80 a month per employee.

## THE FLEXIBLE FIVE-STAR

LNL agents like to prescribe the flexible Five-Star Annuity for doctors, lawyers and others who must provide their own old-age income.

Optional maturity dates enable the policyholder to start his income early or late—anytime between ages 50 and 70. This flexibility brings definite tax advantages. And life insurance protection is provided by this low net-cost participating policy, in addition to the annuity benefits.

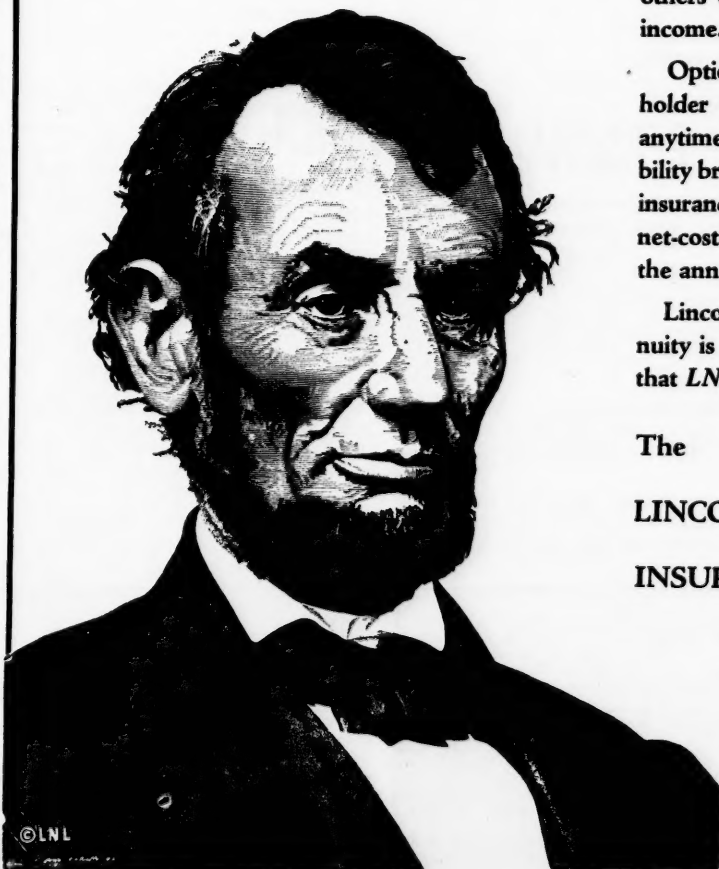
Lincoln National's flexible Five-Star Annuity is another reason for our proud claim that LNL is geared to help its field men.

The  
LINCOLN NATIONAL LIFE  
INSURANCE COMPANY

Fort Wayne 1, Indiana

Its Name Indicates Its Character

50th ANNIVERSARY - 1955



©LNL

## EDITORIAL COMMENT

### The Chromium Trimmed Insurance Policy

Ever since the automobile manufacturers began announcing their 1955 models we have been impressed by the sharp contrast between the glib and informed way in which people discuss each "improvement" and the attitude of contented ignorance which these same people display toward life insurance.

It shouldn't be like that. Flashing acceleration and bigger brakes have an understandable appeal. But so has the peace of mind that comes with a well-planned and adequate life insurance program. The flurry of public interest that has followed the stepped-up competition in the "special" policy field shows that people can become interested in talking about life insurance. But they won't do it unless the companies get as excited about their products as the automobile manufacturers are about theirs.

There is a need, we believe, for simplified, dramatized concepts in life insurance merchandising. It has been too easy to take refuge in the argument that life insurance is too complex for the average mortal to understand. So it is. But have you ever looked at the innards of an automatic transmission? In comparison the most intricate life insurance policy ever devised is ABC. Yet the forbidding array of pumps, servos, sun-and-planet gearing, and Detroit knows what else doesn't prevent the car owner from loving his automatic transmission. With enthusiasm and a wealth of superficial information, he will talk knowingly and at length on the comparative merits of the different makes.

The lesson for life insurance is that it isn't necessary for the buyer to understand the intricate details of what he is buying—if his enthusiasm can be aroused. He must believe in what it will do for him to the point where he becomes enamored of its good points and insensitive to its drawbacks. The automatic transmission has the one virtue of smooth, shiftless acceleration. But Detroit has done a masterful job in blinding the public to the device's obvious faults—higher initial cost, higher gasoline consumption, wasting of power, increased maintenance costs and shockingly higher repair costs than the standard transmission.

If Detroit can get buyers to flock to today's fantastically complicated automobiles it should certainly be possible for the life insurance business to make its product, complex as it is, much more

appealing to its market. Why shouldn't policyholders be talking about the exciting new life insurance policies they have bought? Insurance contracts are certainly of greater basic importance to their owners than what kind of transportation they ride around in.

Perhaps a start would be to promote a better understanding of the various parts or features of the life insurance contract. "Hydra-matic" and "Dyna-flow" are terms that mean something even to the man who doesn't know differential from deferential. But how much does "option A" convey to him? Or "nonforfeiture provisions"?

Along with a better understanding of simplified descriptions of life insurance features should go the promotion of a less secretive attitude toward one's life insurance holdings. Agents should of course continue to regard information obtained from a client or prospect as confidential. But why shouldn't policyholders talk more openly about their life insurance programs? Fear of being thought immodest? But they don't mind showing their affluence in the homes, automobiles, clothes, and other material possessions they acquire.

Probably a more likely reason men don't talk about their life insurance as freely as about their other assets is that they're ashamed of how little insurance they own. Fostering of greater openness about one's life insurance should have a healthy effect on the underinsured breadwinner. He might wonder whether he was actually behaving in an adult manner to put so much of his income into rapidly-depreciating physical assets while neglecting the property that never stops appreciating.

Life insurance needs to have its

## PERSONALS

**John Bond**, Mutual Benefit Life agent at St. Johns, has been selected as Michigan's "young man of the year" by the state Junior Chamber of Commerce. Mr. Bond, who is 28, is said to be Michigan's youngest life member of the Million Dollar Round Table.

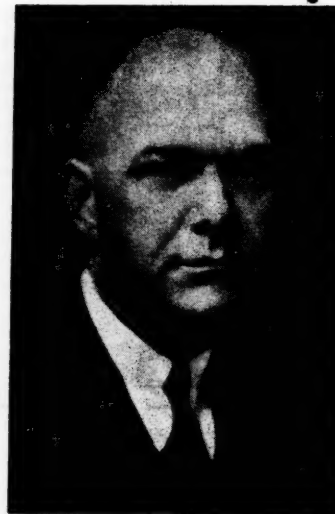
**George W. Bourke**, president of Sun Life of Canada, has been elected a director of the Canadian Pacific Railway.

**W. E. Bixby**, president of Kansas City Life, has been elected president of Kansas City crime commission.

public understand much more about it than that it will pay off on death or retirement, which is about like saying of an automobile that it will get you where you want to go. "Features" are what sell automobiles and they should help sell life insurance. It will require some ingenuity to determine what "features" can best be sold to the public. But it seems like a project well worth pursuing.

## DEATHS

**EARL C. HENDERSON SR.**, vice-president and actuary of Connecticut General Life since 1944, died at his home in West Hartford. He organized the present-day field budget system



E. C. HENDERSON SR.

of the company and laid the foundation for the home office budget. He began his career with London Life, later joined Crown Life in Toronto and went with Connecticut General in 1920. He was a fellow of the Society of Actuaries.

**JOSEPH CHARLEVILLE**, 71, managing director of Los Angeles Life Insurance Managers Assn. and retired executive secretary of Life Underwriters Assn. of Los Angeles, died at his home at Pasadena. Mr. Charleville joined the underwriters association as secretary in 1928, after a varied career outside insurance, and retired in 1953. In 1953 he was awarded the Will G. Farrell trophy, presented by the Los Angeles chamber of commerce to a life insurance man of the city who renders notable civic service. He was a member of the Los Angeles CLU chapter and the Los Angeles Quarter Million Dollar Round Table. His widow, Marida, was his chief assistant in handling details of association affairs.

**WALTER S. CHRISTOPHERSON**, supervisor of agencies and assistant

secretary of Empire State Mutual Life, died at Jamestown, N. Y. Mr. Christopherson had been with the company since 1943 and previously had conducted a general line agency in Jamestown.

**WALTER T. O'DONOHUE**, 65, for many years with Jefferson Standard and Pilot Life, died. Prior to going with Pilot Life as vice-president in 1931, he was with Jefferson Standard for about 20 years. Upon leaving Pilot, he was with Manhattan Life for about five years. He then rejoined Jefferson Standard and did field work on the west coast until 1938. He was with the former Reserve Loan Life of Texas until his retirement some years ago.

**STANLEY F. McCLUNG**, 77, retired vice-president and director of Pacific Mutual Life, died at Los Angeles.

### Conn. General Promotes Six; Parr and Scheller Named Vice-presidents

Connecticut General Life has promoted James C. Parr and Oswald P. Scheller to 2nd vice-presidents of the securities and mortgage and real estate departments, respectively, Samuel B. Reed to secretary of the claim department, Dr. Otto G. Goldkamp to assistant medical director, Walter E. Hanson to assistant counsel, and John S. Wyper to assistant secretary in the underwriting department.

Mr. Parr joined the company in 1948 and was appointed securities department secretary in 1953. Mr. Scheller entered the company in 1938 and was named mortgage and real estate department secretary in 1948. Mr. Reed, who joined the company in 1930, has been assistant secretary of the claim department since 1950. Dr. Goldkamp went with the company in 1950. Mr. Hanson joined the company's legal department in 1941. Mr. Wyper joined the life underwriting department in 1946 and has been senior underwriter since 1951.

### Occidental Cities Group Leaders

Five Occidental Life of California men received awards at the company's Top Club convention in Palm Springs, and the western regional convention in San Francisco for leading the company in group, life and A&H premiums during 1954.

Leaders in group A&H sales were John W. Davis, DeVries agency, Los Angeles; General Agent Dewey R. Mason, Riverside, Calif.; and General Agent Harry Wraith, Oakland.

Leaders in group life, having placed more than \$1 million of this business in 1954, were Ruskin Cook, DeVries agency; C. Everett Moon, Dickson-Blevens agency, Los Angeles; and J. W. Davis.

### Maryland Assn. Meets June 10-11

Maryland Life Underwriters Assn. will hold its annual meeting June 10-11 at Hagerstown.

## THE NATIONAL UNDERWRITER

—Life Insurance Edition  
EDITORIAL OFFICE:  
59 John St., New York 38, N. Y.  
Executive Editor: Robert B. Mitchell.  
Assistant Editors: Warren Kayes and  
Eloise West.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Walnut 9801. Fred Baker, Southeastern Manager.

BOSTON 11, MASS.—207 Essex St., Rm. 421. Tel. Liberty 2-1402. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-3704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.

CHICAGO EDITORIAL OFFICE:  
175 W. Jackson Blvd., Chicago 4, Ill.  
Associate Editors: John C. Burrledge, Charles C. Clarke and William H. Faltyssek.  
Assistant Editor: Edmund J. Brophy

CINCINNATI 2, OHIO.—420 E. Fourth Street, Tel. Parkway 2140. Chas. F. Woods, Sales Director; George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor; Roy Rosenquist, Statistician.

DALLAS 1, TEXAS.—708 Employers Insurance Bldg., Tel. Prospect 1127. Alfred E. Cadie, Southwestern Manager.

DETROIT 26, MICH.—502 Lafayette Bldg., Tel. Woodward 1-2344. A. J. Edwards, Resident Manager.

ADVERTISING OFFICE:  
175 W. Jackson Blvd., Chicago 4, Ill.  
Advertising Manager: Raymond J. O'Brien.  
SUBSCRIPTION OFFICE:  
420 E. Fourth St., Cincinnati 2, Ohio.

KANSAS CITY 6, MO.—606 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Main 5417. Howard J. Meyer, Resident Manager.

NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 3-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

Howard J. Burrledge, President.  
Louis H. Martin, Vice-President.  
Joseph H. Head, Secretary.  
John Z. Herschede, Treasurer.  
420 E. Fourth St., Cincinnati 2, Ohio.

OMAHA 2, NEBR.—610 Keeline Bldg., Tel. Atlantic 3416. Clarence W. Hammel, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.

SAN FRANCISCO 4, CAL.—Flatiron Bldg., 544 Market St., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.





## McTigue, Granum Named to New Posts

Robert J. McTigue, assistant director of agencies for Northwestern Mutual Life, has been named the company's Mankato, Minn., general agent.

He succeeds Sam. A. Erickson, who is retiring from administrative duties but will continue to represent the com-



R. J. McTigue



O. A. Granum

pany. O Alfred Granum will go to the home office as assistant director of agencies.

An officer of Northwestern Mutual since 1952, Mr. McTigue joined the company as an agent in Sioux City, Ia., immediately after graduation from Iowa State college in 1941. He entered the army the following year, and upon his discharge in 1946, joined his father's Fort Dodge, Ia., district agency. The following year he moved to nearby Webster City, where he continued selling until his appointment to the home office staff.

Mr. Erickson is retiring after 26 years as the company's Mankato general agent. He joined the company in 1919.

Mr. Granum who has been an agent at Amery, Wis., joined Northwestern Mutual in 1946. He is a life and qualifying member of the 1955 Million Dollar Round Table. Mr. Granum is a graduate of University of Wisconsin and a veteran.

## In New Medical Posts

Equitable Society has promoted Associate Medical Director William J. McNamara, Dr. Marc J. Crilly, and Benjamin A. Silsbee. Dr. McNamara's assignment will include liaison work with state and national health organizations and serving as medical consultant to the company's other departments. Dr. Crilly was named assistant director of the bureau of medical selection. Mr. Silsbee has been appointed an associate in the bureau of public health.

## Phoenix Promotes Two, Hunter Marks 40 Years

Phoenix Mutual Life has promoted Alvin H. Polley Jr., manager of New York Downtown agency, and Frederick J. Connor, manager at Oklahoma City, to superintendents of agencies for the northeastern and southeastern areas, respectively. D. Gordon Hunter, vice-president and agency manager, was honored on his 40th anniversary with the company at a dinner in Hartford.

Mr. Hunter, who has been in charge of all agency affairs for 26 years, will delegate the major part of his duties as senior agency executive and on Sept. 1 will assume an advisory capacity as chairman of the agency committee of the board.

Herbert C. Skiff, second vice-president, will become senior agency officer and Clifford L. Morse, secretary and director of agencies, will take charge of all agency field operations on Sept. 1.

## Bankers, Ia., Has 10% Gain in Feb.

New business issued and paid-for in Bankers Life of Iowa for February totaled \$15,303,883, an increase of more than 10% over the same month last year. Of this, \$10,963,464 was ordinary. Group totaled \$4,340,419.

Clifford C. Halfhill, district manager in Tacoma for the Maccabees, has been named all-star salesman for the second consecutive year. Mr. Halfhill has been with the Maccabees since 1946.

## New Hand-Books Off Press for Missouri, Nebraska, Oklahoma

New Underwriters' Hand-Books of Missouri, Nebraska and of Oklahoma have just been published by The National Underwriter Company. Each of these three hand-books provides complete and up-to-date information on the agencies, field men, general agents, solicitors, groups and other organizations affiliated with insurance throughout the respective states.

Premiums and losses by lines, within each state for all fire and casualty companies and life insurance paid for and in force for life companies, are also presented in special, statistical sections. Copies of each may be obtained promptly from The National Underwriter Company, at 420 East Fourth Street, Cincinnati 2, Ohio, price \$12 each.

At the GAMC luncheon in Columbus: S. Rains Wallace, Jr., LIAMA director of research, who addressed the GAMC morning session; Carr Pursuer, Penn Mutual, New York City, GAMC secretary; and Jack White, Prudential, Los Angeles, NALU trustee, who addressed the afternoon GAMC session.



## Shalleck Named to Head Liquidation Bureau of N. Y. Department

Milton Shalleck has been named special deputy superintendent of insurance in charge of the liquidation bureau of New York insurance department.

He has been a practicing lawyer for more than 23 years. He was legal secretary to Justice Rosenman for 10 years. During the second world war he was head attorney for the lend-lease administration and special counsel to

the foreign economic administration. Recently he was U. S. commissioner on the south Pacific commission appointed by President Truman.

He will also work closely with Superintendent Holz in the general business of the department and on special projects.

## N. Y. SBLI Dividends Raised

A new scale which will increase New York savings bank life insurance dividends about 20% has been recommended for New York for the policy year beginning May 1.

## Created For Sales Action!



Here's a Home Office and Field force that's sales-minded!

Brokers and Surplus Writers discover modern underwriting thinking at its best, prompt Home Office action, plenty of "know how" in handling cases—at Postal Life.



And policies! Take a look at Postal's "Specials"! Here's one—20 Pay E at 85—age 25, \$30.95; age 35, \$37.97! Dividends are currently accumulating at 3%! \$5,000 minimum, written to 500%, ages 15-64!

Contact your nearest Postal Life General Agent today! Get your "Postal Plus" dollars, too!



# POSTAL LIFE

511 FIFTH AVENUE NEW YORK 17, NEW YORK  
GEORGE KOLODNY, President

Our 50th Year of Service



Quintet of wheelhorses at the GAMC luncheon in Columbus: From left, James Elton Bragg, Guardian Life, New York City, NALU treasurer; Lawrence W. Jackson, NALU executive assistant who is headquarters aid to GAMC; Robert C. Gilmore, Jr., Mutual Benefit Life, Bridgeport, Conn., immediate past president of NALU; Emmett Milholland, Ohio National, Cincinnati, general chairman of the midyear meeting committee, and Victor Miller, Connecticut Mutual, president Columbus Life Managers Assn.

## Adams Foresees Federal Regulation Evils

(CONTINUED FROM PAGE 1)

powerful supervisory official it is conceivable that in times of stress great pressure would be put upon the life insurance companies to divert their resources to the weaker and less stable forms of investment to bolster up a sagging economy in the supposed interest of the common welfare. Such suggestions have not been wholly unknown in the past but they were advanced as mere matters of persuasion not backed by punitive power. However, had power existed, it might well have been used."

Another danger foreseen by Mr. Adams under federal regulation is a monopolistic trend. Perhaps in no business in America have the small, well-managed companies a fairer chance and a greater opportunity in a fiercely competitive field, a situation which he said stems at least in good part from the sympathetic supervi-

sion of home commissioners of home companies in every state of the union. This is advantageous to all companies in the entire business, said Mr. Adams, adding "it is at least debatable whether the same atmosphere would prevail if power were centralized in distant Washington."

Mr. Adams pointed out that the presumed weakness arising from division of authority and conflict of policy has largely been resolved through the National Assn. of Insurance Commissioners.

It is difficult to believe, he said, that the wisdom or the vigilance of the federal regulatory agency would be greater than that of the state commissioners.

"Men do not become supermen because they move to Washington," he said. "But bureaucrats easily become superbureaucrats there. What form of

federal regulation has proved itself to be superior to the type of state supervision of life insurance? This is a fair question to which I think there is no answer. The guard we have kept the stronghold of life insurance safe. We firmly believe that it is not in the public interest to change the guard."

Discussing the current developments threatening state supervision, Mr. Adams said he had examined each of the complaints filed by the federal trade commission against A&H companies for alleged false advertising and that he is convinced that with perhaps one or two exceptions, none of the companies cited deliberately made false statements in their advertising, nor did they make statements which were intended to deceive.

"There is no contention that the companies involved are not furnishing a valuable service to their policyholders and no implication can or should be drawn that they have not provided a dollar's worth of benefit for every dollar in premiums paid," he said.



Three hardworking members of the building committee at the NALU mid-year meeting in Columbus: Grant Taggart, left, California-Western States Life, Cowley, Wyo.; Charles E. Cleeton, Occidental of California, Los Angeles, chairman of the building committee; and Herbert A. Hedges, Equitable of Iowa, Kansas City. All are past presidents of NALU.

## WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

(Clip and mail to a friend who may be interested.)

### ACTUARIAL MATHEMATICIAN

Outstanding opportunity in professional firm for Actuarial Mathematician with some punch card experience who is deeply interested in the creative and imaginative challenge of applying electronic computers to business procedures. Late 20's to early 30's. Opportunity to build professional reputation. Some travel. New York or Chicago. Reply in complete confidence to Box E-3, The National Underwriter Co., 175 W. Jackson Boulevard, Chicago 4, Illinois.

#### PENSION TRUST MANAGER CHICAGO

We have an unusual opportunity for one man—28 to 35 years old, married, Illinois resident in the Chicago territory with 2 to 3 years experience in group or ordinary life brokerage, or pension trust brokerage—at a satisfactory salary plus expense allowance with a definite agreement covering an interest in the Agency on attainment of specific reasonable goals, to act as resident manager of the first small Chicago life and pension trust brokerage office (no group) of one of the 25 largest life companies. Address D-99, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

#### SAN FRANCISCO sales promotion OPPORTUNITY

A leading west coast life and disability insurance company has need for a sales promotion producer. Must be real idea man with direct mail know-how—a good organizer with enthusiasm and drive. Man we want is now successfully employed but looking for a unique opportunity to achieve outstanding results. Salary open—no ceiling on opportunity for growth and advancement. Write in confidence Gerth-Pacific Adv. Agcy., 604 Mission, San Francisco 5.

#### WANTED

Experienced man to develop life insurance department with Large Local and General Agency. Excellent future for an aggressive and conscientious person. State Age, experience, Salary desired. Write—E-4, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

#### ACTUARY AVAILABLE

Under 35. Associate of Society of Actuaries'. One examination away from Fellowship. Present salary \$13,000. Seeks new connection. Please address any inquiries to: Box D-95, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

#### ACCIDENT AND SICKNESS EXECUTIVE

Man of 25 years experience as executive in production, claims, underwriting, group and general administrative departments of accident and sickness companies desires connection with company at home office. Experience also in closing and administering large group life plans. Available for suitable position anywhere in United States. Address NY-26, The National Underwriter Co., 99 John St., New York 38, N. Y.

However, a disturbing element in the situation is that when Chairman Howrey of the FTC made his report to the House committee on foreign and interstate commerce, he was questioned on the matter of jurisdiction by Rep. Wolverton, ranking minority member, who said that if there was any doubt about the matter of FTC jurisdiction he would sponsor a bill making it sufficiently extensive and abundantly clear.

The second factor in the push for federal supervision, the scandals arising out of mal-administration of union welfare funds, makes it important that the insurance aspect of this question be handled by effective measures at the state level before the broader issue becomes critical, said Mr. Adams. A comprehensive federal bill might be quite far reaching but fortunately such legislation is not likely this year.

In this connection, Mr. Adams criticized the position of the unions in attacking what they call "phantom" commissions. They demand the right to deal directly with the insurer and receive a cost discount equivalent to the agent's commission. This is directly contrary to law in every state that has an anti-discrimination statute. Companies need not by law pay a commission but they are forbidden to reduce the premium or increase the dividends in consequence.

"To breach this dike of anti-discrimination laws would be fatal to the agency system through which the institution of life insurance has been built," Mr. Adams said.

He pointed out that the same principle applies to other lines of endeavor. For example, automobile companies cannot by-pass their dealers and hold their organizations. Life insurance must stand fast on this matter, he declared.

The third source of concern over federal regulation is the credit insurance investigation being conducted by a subcommittee of the Senate judiciary committee. It was this committee that raised the question as to whether public law 15 should be amended or repealed and warned that the subcommittee "will not forever accept 'attempts' at regulation as a substitute for the regulation of the business of insurance by the states. The patience of the federal government with those who would abuse the good name of insurance will some day come to an

end."

"These are strong words," Mr. Adams observed. "This is possibly the most severely critical language which has ever emanated from a committee of the American Congress in reference to life insurance. It is the more astonishing because it deals with a peripheral subject. It constitutes a warning rather than a program. However, the fact that the body issuing it is a subcommittee of the judiciary committee which has jurisdiction over the McCarran act [public law 15] adds to its significance and makes it something which cannot safely be ignored."

In connection with efforts to obtain a trade practice conference with the FTC to arrive at a set of standards in A&H advertising, Mr. Adams said that "one impelling consideration in this connection doubtless was the public relations aspect of the jurisdictional defense, which is in effect a plea, not that we are innocent, but that the wrong policeman caught us."

### Interest on Investments Highest in 15 Years

The net rate of interest earned on invested funds of U. S. life companies rose in 1954 to the highest level in 15 years, although still materially below the level of the 1930s and previous years, Institute of Life Insurance reports.

The net rate earned by the life companies in 1954 was 3.46% before federal income taxes and 3.24% after such taxes. This compared with 3.36% before taxes and 3.15% after taxes the year before. The before-tax rate was higher than in any year since 1942 when it was 3.36%.

The increased investment earnings have been an important factor in the recent advances in policy dividend schedules, last year's dividends to policyholders being \$396,600,000 greater than in 1947.

#### Pru Reorganizes N. J. Agencies

Prudential Apr. 1 will establish a new agency in Paterson, N. J., with Donald A. King as manager, and will reorganize the Hackensack agency with C. Jordan Kreutzer as manager.

Mr. King joined the company in 1930 and has been associate manager in Hackensack since 1952. Mr. Kreutzer joined the company in 1945 and headed the Murray Hill agency since 1952. He succeeds Duncan A. Macfarlan, named director of agencies for Prudential's south central home office in Jacksonville. The company has not named a manager at Murray Hill.



## Hear Plans for New NALU Home

(CONTINUED FROM PAGE 1)

sary to expand for at least 20 years. In providing for future expansion, Pereira & Luckman have given the owners two alternatives. One would be to expand the building further to the south. The same louvered motif now planned for the front of the memorial would be continued farther along, and the staircase leading up to the foyer would be made in such a way that it could be moved and centered to retain symmetry. The other plan would involve a smaller addition of a character that would not necessitate moving the stairs.

All members who subscribe for \$100 or more will be listed as "charter builders," and their names will be inscribed on a tablet to be placed in the main foyer of the building. Subscribers of less than that amount will have their names written on parchment in a book which will be placed under glass along side of the tablet.

Some 1,700 persons have already qualified as charter builders. Mr. Cleeton said he feels that in view of the fact that the entire project is now in the "specific" stage hundreds more will want to become charter builders "and have their names memorialized forever in this beautiful building."

At the National Council meeting

Wednesday Mr. Cleeton showed color slides of the property and its environs and exhibited a large colored sketch of the projected building drawn by the architects. There was applause for his announcement that the board of trustees had approved its construction. He expressed the belief that the property located at 22nd and C street N.S. is reasonable in price, considering its location, and will never depreciate.

Discussing finances, Mr. Cleeton said the purchase of the land is now completed, at \$108,316. There is remaining in the building fund \$173,469, plus \$11,487 in pledges. While making it clear that anything based on the amount of rent from LUTC must await negotiations with that organization, he used an assumption of 4,000 square feet rented to LUTC at \$5 a foot or \$20,000 a year. He explained that this would be enough to pay off a 4½% mortgage of approximately \$160,000 in 10 years, after which the entire rental would be income to NALU.

This would leave about \$150,000 to raise, and Mr. Cleeton, in a stirring exhortation, urged his listeners to become charter builders by contributing \$100 or if unable to do that, to contribute whatever they could. He predicted that the new building would bring "an entirely new spirit" to NALU and would do much to solidify the organization, which he declared, is the important thing. He said it might have been possible to obtain quarters at less cost but he stressed the pride that members could feel in having a building of this character designed and constructed with NALU's exact needs in mind and monumental in type. He likened the situation to having a suit tailored as against buying a "hand-me-down."

There was a hearty round of applause as he concluded his presentation.

In his report as president, Robert L. Walker, Peninsular Life, Orlando, said that perhaps the greatest single need and problem in NALU is that of better internal public relations within the ranks of its own membership and through the membership to the thousands of qualified men and women in the business who are not members of NALU.

"Remember, if you will, that new members are sold and brought into NALU solely by our present members," he said. "We are doing a far better job for our membership and for our business than we are generally given credit for doing. Too few of our members understand the tremendous amount of time and effort spent in their behalf by our headquarters staff and our officers, or the effective results being accomplished by our hard-working committees.

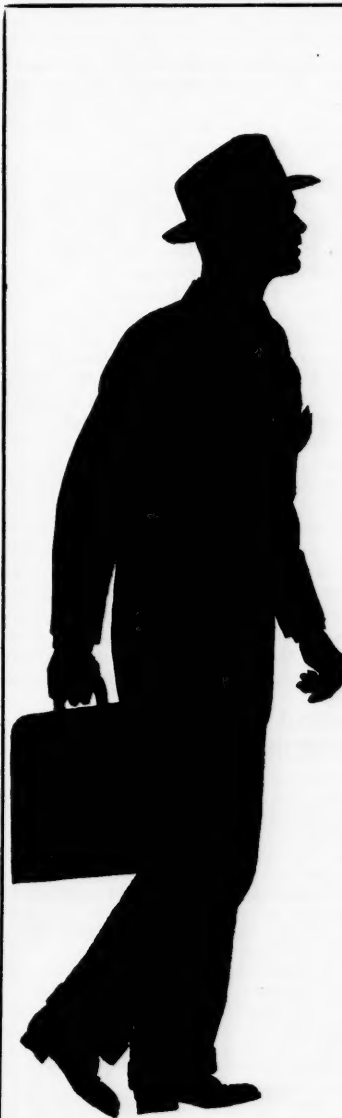
"This lack of understanding and appreciation at the local member level in turn affects every other aspect of our work. It affects membership gains. No career underwriter could deny our claims to his loyalty and appreciation if he knows the score. It lessens the effective efforts of our local associations who do not understand how to avail themselves of the assistance available through headquarters. The work at headquarters is often limited by lack of adequate information from locals.

Mr. Walker said: "There appears to be a definite improvement in the public relations job being done for NALU

at local levels, with a parallel increase in prestige to local members in the eyes of their public. This improvement has been fostered by local association participation in local civic activities. Holders of the National Quality Award and LUTC students, in addition to CLU's, are spreading the leaven of professional attitude and professional competence, both within the industry and to the local client public, he asserted.

"Moreover, these trends seem to be valid for all segments of the business, whether debit type agents or ordinary

only," said Mr. Walker. "we are perhaps closer to achieving unanimity in basic objectives, and in common interests—in spite of differing operational patterns—than at any previous time in our history. Perhaps it is significant that more than 65% of all LUTC students are debit agents. Certain it is that more debit agents are taking an active part in our work and working shoulder to shoulder with ordinary agents, united in common purpose to strengthen the association and to build a greater business. This is as it should be, for good ethics,



## What Puts Him Ahead in Group Insurance?

A new concept which shows an employer how to get his money's worth out of his group insurance in improved employee attitude.

A concept developed through research and experience in the field of employee relations.

A concept which provides effective methods to help employees better understand and appreciate group insurance.

A concept which opens opportunities for sales.

Add this new concept to a complete line of products, flexible group insurance planning, and a claim service second to none.

This puts the Connecticut General group man far ahead.

If you'd like help on any group problem, call the nearest office of Connecticut General. Or write to Connecticut General Life Insurance Company, Hartford.

# Connecticut General

**\$256,900.00**

**WISST BANK OF MINN.**

**\$256,900.00**

**Lutheran Brotherhood**

**"to aid the Lutheran Church"**

During 1954, over \$48,000 was given by LUTHERAN BROTHERHOOD to Lutheran church "branches" for benevolence work within the local congregations. Almost \$257,000 has been distributed in this manner since the plan was inaugurated.

This is another part of the LUTHERAN BROTHERHOOD STORY . . . fulfilling the principles stated in Article I of its Articles of Incorporation, . . . "to aid the Lutheran Church in extending the Lutheran Faith . . ."

**LIFE INSURANCE IN FORCE \$556,341,840**

A Life Insurance Society for Lutherans

**Lutheran Brotherhood**

Legal Reserve Life Insurance  
CARL F. GRANRUD, President

608 Second Avenue So. • Minneapolis, Minn.

**INSURANCE COMPANIES**  
**Bought and Sold**

Contact us regarding either the sale or purchase for CASH of the capital stock or management contracts of insurance companies. All negotiations confidential.

**BRINSOR & Associates**  
**Brokers of Insurance Organizations**

Ross J. Ream • M. M. Walker

**1102 Waldheim Building**  
**Kansas City 6, Missouri**

Telephone, Victor 4466

**COMPLETE PROTECTION**

Agency Franchises Available

**JEFFERSON NATIONAL**  
*Life Insurance Company*  
INDIANAPOLIS, INDIANA

ACCIDENT & HEALTH  
HOSPITALIZATION  
SPECIAL LIFE POLICIES

professional competence, and professional attitude—those objectives for which the association stands—are the common interest of all agents, at every level of operation, and of the public we serve."

John Donohue, Penn Mutual, Baltimore, membership chairman, said NALU had 42,517 members on March 17, as against 39,442 a year earlier, an increase of 3,075. This year the country has been divided into 10 areas, with a "wheelhorse" in each working with and through the state membership chairmen in his territory. In addition, local associations were separated into four categories: Those with more than 500 members, those with 100 to 200, and those with fewer than 100.

Each of the three largest categories was placed in charge of a vice-chairman. It was felt that associations with fewer than 100 members would be best served by their respective state chairmen.

Each area was given a color designation and the inter-area "battle of the rainbow" has generated an enthusiastic response and produced results far beyond expectations.

Reporting as group committee chairman, David B. Fluegelman, Connecticut Mutual, New York City, past president of NALU, said there is a bill before the Nebraska legislature permitting coverage for large amounts of insurance far in excess of the amount of the debt involved. He asked that the printed report be amended to reflect disapproval of this sort of legislation.

R. L. McMillon, Business Men's Assurance, Abilene, Tex., chairman of the disability committee, asked that his report be amended to include opposition to the federal reinsurance bill and to recommend that all insurers look into the use of the uniform hospital claim blank so as to reduce the burden on hospital staffs and doctors.

On motion of Carleton F. Bowman, Minnesota Mutual, president of the Denver association, the council passed a recommendation that the president appoint a committee to study what can be done to stave off federal encroachment in the A&H field through co-operation of medical, hospital, and insurance interests in meeting all threats of government encroachment, and in making the public aware of the strides that have been made under the private enterprise system in the interests of the public health, and meeting attendant cost. Mr. Bowman read a resolution to this effect adopted by the Denver association Feb. 17.

President Walker said he would be happy to appoint such a committee.

In his report as managing director, Lester O. Schriver said he is still an optimist, despite such threats to the agency system as social security liberalizations, the trend toward mass selling, price-cutting competition that cuts agents commissions, and the selling of tontine type policies through misrepresentation and promises that cannot be made good.

President Walker called on George B. Byrnes, New England Mutual, New York City, chairman of the 1955 Million Dollar Round Table. Mr. Byrnes said the round table prizes highly its members' membership in NALU and enforces strictly MDRT's by-laws provision that a qualifier must be a member of his local life underwriters association during the entire period of his qualification.

On motion of the Florida association the council voted to recommend the

appointment of a committee that would work for legislation to curb creditor life insurance excesses and abuses.

Stanley Collins, Metropolitan Life, Buffalo, NALU vice-president, reporting as compensation committee chairman, came out against the trend toward special policies with lower rates of commission. He termed this a backward step in the progress toward a higher level of competence among agents. President Walker said he felt Mr. Collins was expressing the sentiments of the majority of NALU members.

Harold Baird, Northwestern Mutual, New York City, reporting as head of the constitution and bylaws committee said a new proposed constitution and bylaws had been prepared. It would not be voted on however until the annual meeting in 1956.

M. L. Camps, John Hancock, New York City, reported as chairman of the General Agents and Managers Conference.

The NALU trustees met Sunday and Monday, the committees met Tuesday, and the National Council met all day Wednesday. The General Agents and Managers Conference held its sessions, including a luncheon on Monday. The NALU-LUTC luncheon was Tuesday.

That evening there was a reception given by the Columbus Mutual, Farm Bureau, Midland Mutual, and Ohio State Life companies, all of Columbus, in honor of the board of trustees and National Council of NALU.

Thursday there was a sales congress addressed by Stanley C. Collins, Metropolitan Life, Buffalo, NALU vice-president; Grant Taggart, California-Western States Life, Cowley, Wyo., past president of NALU; A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, NALU secretary, and Mr. Schriver.

### Group Life Extended to \$7 Million in 1954

The protection of group life insurance was extended to more new people in 1954 than ever before, according to Institute of Life Insurance. The number of individual group certificates owned by American families increased by 7 million last year to 47 million. The amount of their group life insurance protection rose by \$20 billion to nearly \$100 billion.

Included in the year's additions was the largest single group ever insured, 1.7 million U. S. Government employees covered, by special act of Congress, for \$6.7 billion of life insurance written through 162 legal reserve life insurance companies.

Even without this government-employee policy, the 1954 purchases of new group life insurance were at an all-time high, totaling \$7.7 billion.

About half the country's work force is now covered by group life, averaging nearly \$3,000 per worker, the institute said. If the self-employed or those in firms employing fewer than the minimum requirement for group insurance are excluded, it would probably be found that between 80 and 90% of the eligible work force is now covered by group policies. On the average, the group life coverage is about equal to one year's income.

### Support Conn. FTC Bill

Strong support of a little fair trade commission act has been voiced in Connecticut. Former Commissioner Ellery Allyn spoke in favor of the bill at a hearing before the insurance committee of the legislature. The present commissioner, Thomas J. Spellacy, supported the bill. Others appearing for it were spokesmen for Connecticut General Life, Aetna Life, Travelers, and Life Insurance Assn. of America.



At GAMC luncheon in Columbus: L. Mortimer Buckley, New England Mutual, Dallas, GAMC vice-chairman; David B. Fluegelman, Connecticut Mutual, New York City, past president of NALU; Ray H. Wertz, Lincoln National, Detroit, past chairman of GAMC; Stanley C. Collins, Metropolitan Life, Buffalo, NALU vice-president; A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, NALU secretary; and Charles J. Zimmerman, managing director of LIAMA and past president of NALU.

### Five More Insurers Cited by FTC on A&H Advertising

(CONTINUED FROM PAGE 1)

more testimony. If he does the former, Alvis Layne, counsel of Automobile Owners, will elect whether to move to dismiss the complaint on jurisdictional and other grounds, or to proceed to present the company's case.

FTC Examiner Laughlin, who heard the Bankers Life & Casualty case in Chicago and other cases in Washington, is expected to have reports on or decisions in those cases within a week or so.

In the hearing on Automobile Owners conducted by FTC examiner Cox last week, Maurice Benson, president of the company, was examined in detail by Mr. Sills and his associate, P. R. Melancton.

He testified that his company in 1953 and 1954 issued about 3,600 of one of its policies in Missouri and 38,800 outside the state; 989 of another type of policy in Missouri and 63,879 outside. He did not know the dollar volume of the policy, but the premium on the one was \$5 per year, and on two others \$2 per month each. The company received 233 claims under one policy, of which 175 were paid. Under the second policy 2,358 were filed, 1,481 paid, and under the third 5,373 claims, of which 2,903 were paid.

Mr. Benson said he is an attorney and has been in insurance 25 years. He testified his company does its printing and mailing in Chicago, though claims are handled in Kansas City. The company has no other offices. It employs about 100 persons. A committee of three including himself passes upon certain claims. Automobile Owners Assn., of which Mr. Benson also is president, is interested in promoting safe driving, he testified, and it solicits insurance for Automobile Owners Safety.

He testified that the company has changed policy forms four times. Once it destroyed about 100,000 policies because the company had decided the contract should contain an anti-

liquor and anti-narcotic exclusion. He indicated on examination that the insurance commissioner of Missouri has referred to the insurer complaints received from outside of Missouri.

Sills put on several witnesses to testify as to the impression they formed from reading language containing in exhibits of the company as to policy benefits, etc. The witnesses included a liquor store manager, a shoe store manager, a shopkeeper, and others.

The examiner ruled against a number of the FTC questions on the grounds they were hypothetical. He remarked in connection with one witness that he could not give much weight to her testimony. He told her to collect her \$4 witness fee. At another point he commented that witnesses were picked up at random. To this Sills responded that his witnesses were picked with the same degree of random that the insurer's mailing was done.

### Life Companies Hold 2% of Corporate Stocks

Purchases of corporate stocks, preferred and common, by the country's more than 900 life insurance companies totaled \$545 million in 1954, more than twice the total the year before and nearly three times the 1952 purchases, according to Institute of Life Insurance. The companies' net increase in stock holdings was \$371 million last year.

Large as these stock purchases were, they appear to have been only a small fraction of the aggregate turnover of stocks on the country's security markets. In a series of two-day surveys of transactions on the New York stock exchange over the past two years, it was found that at no time did the life insurance company purchases represent more than eight-tenths of 1% of aggregate shares turned over on the market and the ratio was usually between three-tenths and five-tenths of 1%.

Stock holdings of the life companies at the start of this year were \$2,710,000,000, of which \$1,694,000,000 were preferred shares and \$1,016,000,000 common. These stocks represent about 2% of the aggregate value of all shares listed on the market.

Among the head tablers at the GAMC luncheon in Columbus: Robert L. Walker, Peninsular Life, Orlando, president of National Assn. of Life Underwriters; Judd C. Benson, Union Central, Cincinnati, vice-chairman of GAMC; and W. A. Sullivan, Metropolitan Life, Cincinnati.





NEWS for those who run



# ONE MAN BUSINESSES

New life insurance policies  
for BUSINESS SECURITY  
at Lower Costs

If you are the owner of a one-man business  
there are a number of questions which may force  
themselves on you:

**What would your business be worth without you?**

**Would it be salable?**

**Would it be possible to avoid a forced sale?**

If the answers to these questions are disturbing,  
it might be well to consider how life insurance can be  
applied to eliminate some of your worries.

This is an excellent time to look into these questions  
because under a new streamlined program  
John Hancock is offering *exceptionally low-cost*  
*policies* for business security.

Ask your John Hancock agent or your broker about  
the *new low cost* Preferred Risk policy.

## MEMO

*This John Hancock  
message appears in*

**BUSINESS WEEK • TIME  
U. S. NEWS & WORLD REPORT**

*John Hancock*  
**MUTUAL LIFE INSURANCE COMPANY BOSTON, MASSACHUSETTS**

DEDICATED TO THE INDEPENDENCE AND  
FREEDOM OF EVERY AMERICAN FAMILY

# DEAD END



**B**EWARE THE SHORTCUTS—and beware the jobs that appear to be shortcuts to success. Flashy starting wages are sometimes hard to resist, but watch out—there may be a dead end just ahead.

Good reason to look beyond initial frills to what the future holds. Good reason to look to The Union Central Life Insurance Company, where the future holds unlimited opportunities for men with ambition and ability. From the very outset, a career with The Union Central offers job security and every assurance for real success—and provides you with a choice of Lifetime Income Contract or Guaranteed Renewal Contract.

A large percentage of The Union Central representatives earn \$10,000 or more per year. Many earn annual incomes in excess of \$25,000—and some actually earn more than \$100,000 a year! Even the new men have an average sale better than three times the national average of men in all

other insurance companies. What's more, the Company extends liberal retirement and pension plans to all representatives.

In addition, consider The Union Central's other major career benefits. Choice of your own job location. Thorough, effective training. Unlimited opportunities for steady advancement. Wide variety of research-tested selling aids. Job security that does not rely on current business conditions. And scientific aptitude testing that helps you determine if the job is best for you.

Yes, for a career that has no dead end, look to The Union Central—with its policies that take care of every life insurance need from birth to age 70. Drop us a line and we'll be glad to arrange an interview at one of our local offices near you.

**THE UNION CENTRAL LIFE INSURANCE COMPANY**  
CINCINNATI 2, OHIO

One of a series of advertisements designed to be of service to men contemplating a life insurance career, appearing in magazines and life insurance trade press where men are likely to look for information about companies and job opportunities.